



Department  
for Culture  
Media & Sport

# Commercial Radio Deregulation

**13 February 2017**

# FOREWORD

**By the Rt Hon. Matt Hancock MP, Minister of State for Digital and Culture**



The UK has some of the best radio in the world.

Whether this is news, speech, radio, music or entertainment, radio still provides us with a wealth of dynamic and innovative programming catering for a range of tastes across the whole of the UK. Radio remains loved by the public with over 90% of us continuing to listen to radio at least once a week. As well as being loved, radio is trusted.

It has also shown an ability to adapt and change but is not and cannot be immune to the forces of transition wrought by the Internet and the explosion of digital platforms which continues to fragment media markets. Commercial radio is right in the vanguard of these changes.

Commercial radio really matters to me, as it does to so many people across Britain.

I grew up listening to Marcher Sound and Atlantic 252. As a student I worked on Oxygen 107.9fm, starting off making the coffee, and rising to the dizzy heights of the minority sports correspondent. I'm still friends with people I met in the pressure-cooker of the under-resourced local radio station. It's where I first learned to broadcast, and to cope with the need for fast precise decisions and to work closely as part of a team.

A strong resurgent commercial sector has been central to this continuing success. With around 300 licensed stations available the choice for listeners has never been greater. However, commercial radio is and always has been a supplier of public service broadcasting though it is not always described as such. Commercial radio stations each broadcast on average around 13 hours of public service-related content each week including news, sport, travel, weather and local information. It remains a vital source of local news, reaching around 51% of the population every week for more than any other source of local media.

The UK commercial radio sector faces a number of important challenges over the coming decade, from the growth and proliferations of new ways of consuming audio content and not least the challenge from online services, along with the need to

invest in new content services and in accessing new platforms to maintain its audiences.

But UK commercial radio is still subject to a regulatory structure designed for AM and FM radio services in the late 1980s. Although Ofcom have simplified many of the arrangements, these requirements are clearly limiting the ability of commercial radio stations to innovate and to make the changes needed. The growth of choice for listeners means that many of the requirements that were suitable for an analogue age may become increasingly obsolete as digital radio listening starts to overtake analogue listening.

The Government believes an examination of the regulatory framework for commercial radio is overdue and in this consultation we set out proposals how help support and strengthen the sector. These proposals build on the work Ofcom did last year and seek to clarify the public policy requirements for commercial radio in the longer term, balancing the need to protect local news and core information that provides the main public value for commercial radio, allowing services to have more flexibility over content and production.

We want to see the widest possible views on the proposals given the complexity of the legislation and the interrelationships between different aspects of the regulatory structure. As part of this we plan to engage the radio industry directly through a series of roadshows, which we will organise with Radiocentre.

Commercial radio's familiarity and adaptability, its public service output, its creative and cultural contribution and economic value that helps explain its continuing popularity. It's not some background noise but a much loved part of the future. This consultation will give radio the chance to thrive.

Rt Hon. Matt Hancock MP  
Minister of State for Digital and Culture  
February 2017

# Contents

## 1. Summary

- 1.1. Overview
- 1.2. How to Respond

## 2. Background

- 2.1. Development of Commercial Radio
- 2.2. Market disruption and technological challenges
- 2.3. Commercial Radio - current market
- 2.4. Future challenges

## 3. Policy Proposals

- 3.1. Updating Ofcom's role and duties in securing choice for listeners
- 3.2. Format requirements for national analogue radio licences
- 3.3. Local radio non-news formats requirements
- 3.4. National/local news and other public service content requirements
- 3.5. Extending requirements to produce news to DAB-only stations on national and local multiplexes
- 3.6. Local content and production requirements
- 3.7. Revised licensing arrangements
  - 3.7.1. Licence advertisements and awards
  - 3.7.2. Renewals and requirements to simulcast on DAB
  - 3.7.3. Provisions for stations that want to vacate analogue licences
- 3.8. Consequential Changes
  - 3.8.1. Multiplex Licensing
  - 3.8.2. Community Radio

## 4. Timing and Next Steps

## 5. List of Questions

## Annex A - Further information about this consultation

# 1. Summary

## 1.1 Overview

The UK has a strong and thriving commercial radio sector providing an extensive and increasingly diverse range of music, news and sports services that easily rival the best in the world. Each and every week, 35 million of us listen to our favourite national and local commercial stations. There are currently around 300 commercial stations across the UK, which provide a variety of music, speech and sports content and national, international and local news to listeners 24 hours a day whilst we are at home or on the move. Commercial radio remains a significant part of the UK's creative industries, generating around £700m of gross value added to the economy and helping to drive UK music sales with an industry estimate of around £100m of music sales driven directly by commercial radio<sup>1</sup>.

Despite a greater level of competition from other media audio platforms, live radio still dominates audio listening and accounts for 77% of all listening hours<sup>2</sup>. Commercial radio, which accounts for around half of this listening, is the most used means of accessing local news with around 50% of listeners getting news from their local commercial radio station compared with around 16% for BBC local radio<sup>3</sup>. According to Radiocentre, the industry body, commercial radio broadcast over 13 hours of public service-related content each week including news, sport, travel, weather and local information in 2015.

The UK's commercial radio sector was hit badly by the recession in 2008-09 and the resulting impact of a severe downturn in advertising revenues. Total sector revenues fell by nearly 20% between 2007 and 2009<sup>4</sup>. However, commercial radio has recovered well since 2012 and over the past four years it has invested in developing new national and local digital radio (DAB) services, offering listeners a greater level of choice and targeting new audiences. Thirteen new local DAB multiplexes have launched including the most recent one in Suffolk in October 2016. Commercial radio, with support from the BBC and government, have also invested in local digital radio network expansion and this, combined with the investment made by the car industry in installing DAB radios as standard in new cars, has led to continued growth in digital radio and 45.5% (Rajar Q3 2016) of all radio listening is now to

---

<sup>1</sup> Oxford Economics (for Radiocentre) - The value of commercial radio to the UK economy. May 2016. <http://www.radiocentre.org/wp-content/uploads/2016/06/The-economic-impact-of-commercial-radio.pdf>

<sup>2</sup> The Measurement of Internet Delivered Audio Services (MIDAS) survey. RAJAR. Spring 2016. [http://www.rajar.co.uk/docs/news/MIDAS\\_Spring\\_2016\\_FINAL.pdf](http://www.rajar.co.uk/docs/news/MIDAS_Spring_2016_FINAL.pdf)

<sup>3</sup> Ofcom - Radio Deregulation. February 2016. [https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/radio-research/radio\\_deregulation](https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/radio-research/radio_deregulation)

<sup>4</sup> Drawn from Ofcom's Communications Market Report Series

digital. On current trends, the radio industry expects that digital's share of listening will reach 50% by the end of 2017 or early in 2018.

The government supports a listener-led transition to digital. We have stated that a decision about the timetable for a future switchover to digital will only be considered once the listening and coverage criteria have been met - i.e. our approach is led by listener demand. At that point, government will need to consider the timetable for a future switch-off of analogue radio services at a date likely to start after 2020.

Nevertheless the whole commercial radio sector faces a number of important challenges in the next 5-10 years:

- Whilst digital radio's share of listening continues to steadily increase, as noted in the BBC Charter Review consultation<sup>5</sup> a switchover before the early 2020s is not likely; as a result commercial radio will have to manage a period of simulcasting services on analogue and digital that will be longer than expected before a full transition can take place.
- The emergence of unregulated online music and audio services such as Spotify, Deezer and Apple Radio or stations available via apps from services such as TuneIn, XiiLive or Last FM as well as increasing competition from the BBC's radio services, means that commercial radio will need to work harder to attract and retain listeners as they migrate their listening to new types of device.
- The noticeable drift of younger people away from broadcast radio has accelerated over the past three years and is a key challenge for commercial radio; according to RAJAR audience figures, since 2006 the numbers of 16-24s reached by radio has fallen by 4.9%, while the total time spent listening to live radio for this age group is 70% of what it was ten years ago. To remain attractive to younger listeners, commercial radio will need to continue to invest in developing strong brands, new content and the means of accessing new music with greater use of video and social media.

The significant changes in the market for audio services and in listener behaviour since the late 2000s have only been partially reflected in the existing and very complex regulatory framework for commercial radio as set out in the Broadcasting Act 1990, the Broadcasting Act 1996 and the Communications Act 2003. Ofcom has, since 2003, made use of the flexibilities granted by Parliament to enable it to streamline the regulatory burdens on commercial radio; for example by standardising

---

<sup>5</sup> DCMS BBC Charter Review Public Consultation, July 2015:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/449830/DCMS\\_BBC\\_Consultation\\_A4\\_1\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/449830/DCMS_BBC_Consultation_A4_1_.pdf)

formats, relaxing requirements on music formats and by quickly implementing the changes provided under the Digital Economy Act 2010 to allow local stations more flexibility to share premises and network content. These particular changes were introduced to support the viability of local commercial radio stations by allowing local commercial radio groups to co-locate production facilities, network more content and reduce their fixed costs.

However, the 2010 changes left in place the majority of the regulatory requirements on commercial radio particularly in terms of music formats and local production. As a result the regulation of analogue radio services remains complex and burdensome compared to the lighter touch requirements for digital-only stations. Some examples of this include:

- The analogue radio licensing regime is characterised by very specific requirements around a prescriptive programme format which sets out what music a station can play and when, what proportion of programming can be networked and where services can be broadcast from.
- The regime for digital radio, by contrast, places no requirements at all on individual stations (though there is a requirement to tell Ofcom what kind of service they are providing); though there are obligations on national and local digital radio (DAB) networks (known as multiplexes) to ensure a range of radio services are carried, but without any clarity on how multiplex operators should go about this or how Ofcom should enforce these requirements.

With the evolution of the radio market and consumers steadily moving towards digital radio and other on-line audio services, and Ofcom's scope to make further changes limited by the current regulatory framework, the government believes it is the right time to consider the overall regulatory structure for commercial radio. We wish to consider the options for reform that will help to further support the development of the sector whilst maintaining and strengthening core public service requirements on commercial broadcasters which are important both to listeners and in terms of wider public benefit.

This consultation asks for views on proposals that reform the regulatory structure for the licensing of commercial radio. These proposals are looking to balance the need to reduce the existing regulatory burdens on commercial radio, with a need to secure over the longer term the provision of local news and other local information where there are no such requirements on DAB only stations.

In September 2015, we asked Ofcom to identify areas for possible reform looking at the continuing value of music formats and detailed localness requirements (covering

the types of local material and local production of material), and the extent to which there is an ongoing need to continue to regulate them. We also asked Ofcom to look at options for a simplified radio content regime that will work across both analogue and digital radio. Ofcom reported its findings to DCMS in February 2016. They concluded that there were a number of areas suitable for change, including the rules on music formats, but that there continued to be a need for statutory requirements for local news programme content which would otherwise be underprovided by commercial radio stations.

Having considered Ofcom's conclusions, we are seeking detailed views on the following package of comprehensive changes to the regulatory regime for commercial radio, which aim to bring the analogue and digital licensing arrangements into line:

- (a) Replacing Ofcom's current wide ranging obligation to secure a range and choice of radio services with a new duty to secure the provision of news and other core information such as traffic and travel information and weather. This should apply to all national and local FM or AM stations (whether the station is simulcast in digital service or not) and to stations on DAB to ensure there is a level playing field. However, the requirements for DAB stations would only apply from the date following a future digital switchover when requirements in analogue licences would fall away.
- (b) Removing all other format requirements that apply to local or regional FM or AM licensees other than news/key information.
- (c) Removing requirements on national and local multiplex operators to ensure there is a range and choice of services carried on their networks given the increase in capacity and coverage of DAB multiplexes and the strong support for the roll out of a tier of new small scale DAB multiplexes.
- (d) Giving Ofcom more focused powers to set news/core information for digital stations, taking account of the need to secure national and local plurality in news services; inviting views on allowing Ofcom to have the scope to apply enhanced requirements for national and local news for Wales, Scotland and Northern Ireland to reflect the different objectives and characteristics of local commercial radio provision in the nations of the UK.
- (e) Giving all local commercial stations the flexibility to produce and broadcast locally relevant content for the licensed areas they serve without requirements on where that local content is made or broadcast from, provided that the local news/etc content continues to be relevant to listeners



in their coverage area and that stations continue to source local news from within the existing editorial areas defined by Ofcom.

However, we do not propose making any to change the format requirements placed on the three national analogue licences (currently held by Classic FM, Absolute Radio and talkSport) given the possible impacts of such changes to the commercial radio market and to future progress with the transition to digital radio. All three licensees have the option of renewing these licenses - which start to expire in early 2018 - for a further five years until 2023 and they (Global Radio, Bauer Media and Wireless Group PLC) have indicated to Ofcom that they will take up this option. But, this consultation does seek views on having powers to enable Ofcom to renew these and other commercial radio licences further, including the option of extending licence terms up to the date of a future switchover.

Finally, we do not propose to make any changes to the framework of content standards or the requirements placed on the holders of radio broadcast licences; for example the fit and proper test. The consultation does, however, seek views on the option of removing the current restriction on overseas-based radio services from being able to apply to Ofcom for a licence to be carried on UK DAB multiplexes, even where the station in question is willing to be subject to regulation by Ofcom.

One important effect of the proposed changes to the licensing requirements for analogue radio is that it would significantly narrow the basis for Ofcom to run a future competitive process for the award of analogue commercial radio licences. The government is therefore seeking views on whether, with digital radio expected to reach 50% of all radio listening by end 2017/early 2018, Ofcom should continue to be able to offer new long-term national and local commercial analogue radio licences under the Broadcasting Act 1990.

Overall, the proposals set out in this consultation seek to simplify and rationalise the regulatory rules for commercial radio, bringing the regimes for analogue and digital radio licensing much more into line and allowing commercial radio stations more flexibility in terms of developing services to cater for listeners' needs. The proposals also seek to strengthen the protection of the core public service purposes of commercial radio, functions that are valued by the public and deliver real value. At the same time the proposed changes will allow for the removal of many of the regulatory burdens which apply to commercial radio and will help to ensure that the sector remains dynamic and relevant, characterised by strong brands, offering increased choice of national and local services which are enjoyed and valued by listeners. Nevertheless we are aware that some operators may take a different view and regard the existing requirements as playing an important part in safeguarding the character of local services by using local production facilities and staff.

The purpose of the proposed reforms is not to alter the character of small local commercial radio stations that still operate in particular areas and that want to produce content in and for their communities and local advertisers. It will be for commercial radio stations themselves to determine whether to take account of the new flexibilities. However, the question at the heart of this consultation is whether there is still a need for legislation (and therefore for Ofcom) to still set such detailed requirements by means of a licensing regime for analogue technologies in a world where radio, as so much else, is seeking to exploit the opportunities offered by digital technologies.

## 1.2 How to respond

Our preferred method of capturing your responses to the questions set out in this document is via email using [commercialradio@culture.gov.uk](mailto:commercialradio@culture.gov.uk).

Hard copy responses can be sent to:

FAO Commercial Radio Deregulation Consultation  
Media Team  
Department for Culture, Media and Sport  
4th Floor,  
100 Parliament Street  
London  
SW1A 2BQ

The consultation will run for 12 weeks from 13 February 2017 and will close at 5pm on Monday 8 May 2017. We will publish the government's response to this consultation on the GOV.UK website in due course, summarising the responses received and setting out the actions we will take, or have taken, in respect of them.

We recognise that radio can be a valued 'companion' for blind and partially sighted individuals. We are particularly interested to hear views from individuals and organisations representing this group of citizens.

We are happy to provide a copy of this document in Welsh or accessible formats. If you require a copy in an alternative format, please contact us - ideally by 24 March 2017 - to ensure that we can send you a copy of the consultation paper in the appropriate format.

For further information about this consultation please see Annex A.

## 2. Background

### 2.1 Development of Commercial Radio

The UK was initially slow to embrace the idea of commercial radio. It was not until 1972, that the Sound Broadcasting Act was passed giving the Independent Broadcasting Authority (IBA) powers to license independent radio for the first time.

The first commercial stations LBC, Capital and Clyde were launched at the end of 1973 and over the next three years, contracts (as they were then known) for the broadcast local commercial radio were awarded to a further 15 major cities across the UK. The early stations were highly regulated and were conceived of as a complement to existing BBC local radio, providing public service radio with an expectation that all stations will be 'all things to all people'.

Plans to issue further local commercial radio licences were postponed by the incoming administration. In 1978, following negotiations on international frequency allocations, there was a reorganization of frequencies used by the BBC and independent local radio (ILR) and this opened the way for the IBA to expand the sector and it resumed licensing local commercial stations in 1980. By 1987, the number of commercial stations on air had risen to 49. The 1980s also saw some major developments; in 1983 Leicester's Centre Radio became the first ever commercial station to close and in 1985 Radio West would join with neighbouring Radio Wiltshire to form GWR in commercial radio's first merger.

In 1989, the then government announced plans to maximise the use of limited radio spectrum, with all stations expected to provide different services on AM and FM, and to open the way for new stations licensed on FM only. The Broadcasting Act 1990 enacted major reforms in commercial radio. The IBA was dissolved with the newly-created Radio Authority (which replaced the IBA in 1991) pursuing a lighter-touch regime - removing many of the technical, programming and local ownership restrictions on ILR stations. From 1995, commercial radio saw both a major acceleration in the licensing of new stations to fill the remaining coverage gaps and an increasing number of take-overs and mergers, leading to the emergence of major radio groups holding a large portfolio of local licences throughout the UK.

The 1990 Broadcasting Act opened the way for the creation of quasi-national brands such as 'Classic Gold' and the Magic AM network and allowed the Radio Authority to advertise one national commercial FM licence and two national commercial AM licences for the first time - these would be won by Classic FM, Virgin Radio and Talk Radio (later talkSport). As a result of these reforms, and the creation of the Radio

Advertising Bureau, radio advertising was established by the mid-1990s as an important medium for national businesses to advertise their products and services.

The Broadcasting Act 1996 paved the way for the licensing of digital radio (using the Digital Audio Broadcasting or DAB standard) by creating the structure for digital radio multiplex and station licensing, and further deregulated commercial radio ownership rules to stimulate growth. Digital One, the first national commercial digital radio multiplex, was launched in November 1999. By 2003 national commercial digital radio was accessible to 85% of Great Britain's population. There were further significant changes to the commercial radio broadcasting regime under the Communications Act 2003. This allowed foreign ownership of UK radio stations for the first time but tightened up arrangements for the local production of programming. The Communications Act also gave Ofcom - who had taken over responsibility for the regulation of radio from the Radio Authority in 2003 - the power to place specific requirements on licence-holders for locally relevant content, and moving away from the licence based arrangements set when the original licence award was made.

## 2.2 Market disruption and technological challenges

Commercial radio revenues continued to grow strongly into the mid 2000s. But the whole sector was hit hard by the rapid downturn of advertising spend in the last recession leading to a 17% fall in sector revenues between 2007 and 2009. In response, the then government commissioned John Myers to consider the future of local commercial radio. This review followed two earlier reviews carried out by Ofcom (November 2006 and November 2007). Following the publication of John Myers's report<sup>6</sup>, the then government brought forward changes in the Digital Economy Act 2010 that allowed stations to share premises and make it easier to network content within permitted geographical areas defined by Ofcom. These changes, along with the recovery in advertising spend from 2011 helped to stabilize the commercial radio industry and the sector's revenues have since recovered in nominal terms to pre 2007 levels.

Agreements reached between commercial radio, the BBC and government in 2012 and 2014 opened the way for new investment to extend national and local digital radio network capacity and coverage. The second national commercial DAB multiplex launched in March 2016 with 18 national stations broadening the choice of services available to listeners on digital. The collaborative work between the radio industry and other sectors and government under the Digital Radio Action Plan<sup>7</sup>

---

<sup>6</sup> An Independent Review of the Rules Governing Local Radio Content - John Myers for DCMS. April 2009, [http://webarchive.nationalarchives.gov.uk/+/http://www.culture.gov.uk/images/publications/An\\_Independent\\_Review\\_of\\_the\\_Rules\\_Governing\\_Local\\_Content\\_on\\_Commercial\\_Radio.pdf](http://webarchive.nationalarchives.gov.uk/+/http://www.culture.gov.uk/images/publications/An_Independent_Review_of_the_Rules_Governing_Local_Content_on_Commercial_Radio.pdf)

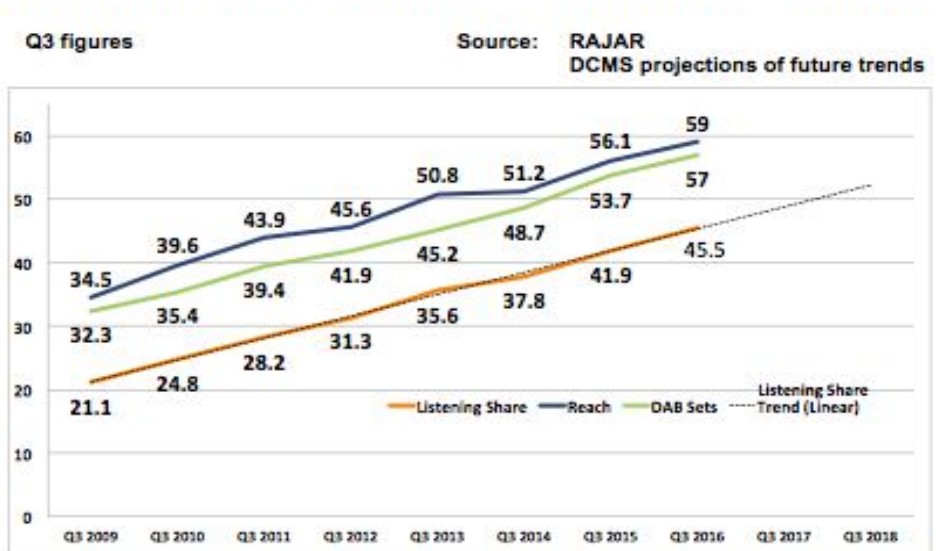
<sup>7</sup> Digital Radio Action Plan - Final Report - DCMS Jan 2014

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/270375/Digital\\_Radio\\_Action\\_Plan\\_v10\\_5\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/270375/Digital_Radio_Action_Plan_v10_5_.pdf)

resulted in a number of key developments, including major investment by UK car manufacturers in fitting DAB radios as standard in new cars and radio equipment manufacturers' agreement to the adoption of minimum technical standards for digital radios<sup>8</sup>.

Thanks to the efforts of commercial broadcasters supported by the wider radio industry there has been steady growth in digital radio's share of listening and 45.5% of all UK radio listening is now (Q3 2016) to a digital platform. More than 50% of national radio listening is now via a digital platform.

### Digital Radio Listening 2009-2016



### 2.3 Commercial Radio - current market

There are currently 286 analogue local commercial radio stations broadcasting<sup>9</sup>; more than 80% are for FM radio broadcasting. There are three national commercial radio licences - two AM licences held by Absolute Radio and talkSport and one national FM licence held by Classic FM. There are also 244 licensed community radio stations broadcasting<sup>10</sup>. The following table sets out the full details of the UK's radio market.

<sup>8</sup> The Minimum Standards for DAB (Feb 2013) were developed as part of the Digital Radio Action Plan. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/207937/Domestic\\_Min\\_Spec\\_v1.1\\_revised\\_June13\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207937/Domestic_Min_Spec_v1.1_revised_June13_.pdf)

<sup>9</sup> Ofcom October 2016, Digital Radio Report November 2016

<sup>10</sup> Ditto

Analogue				Digital		
Type of Station	AM	FM	Total	Type of station	Relation to analogue area	Total
Local Commercial	51	235	286	Local Commercial	DAB in analogue area	136
UK-Wide commercial	2	1	3		DAB extends analogue area	19
BBC UK wide networks	1	4	5		DAB only	95
BBC local and nations	34	44	46	UK wide commercial		32
Community Radio	10	234	244	BBC UK wide networks		11
				BBC local and nations		46
<b>Total</b>	<b>98</b>	<b>518</b>	<b>584</b>	<b>Total</b>		<b>339</b>

Source - Ofcom Communications and Market Report - August 2016

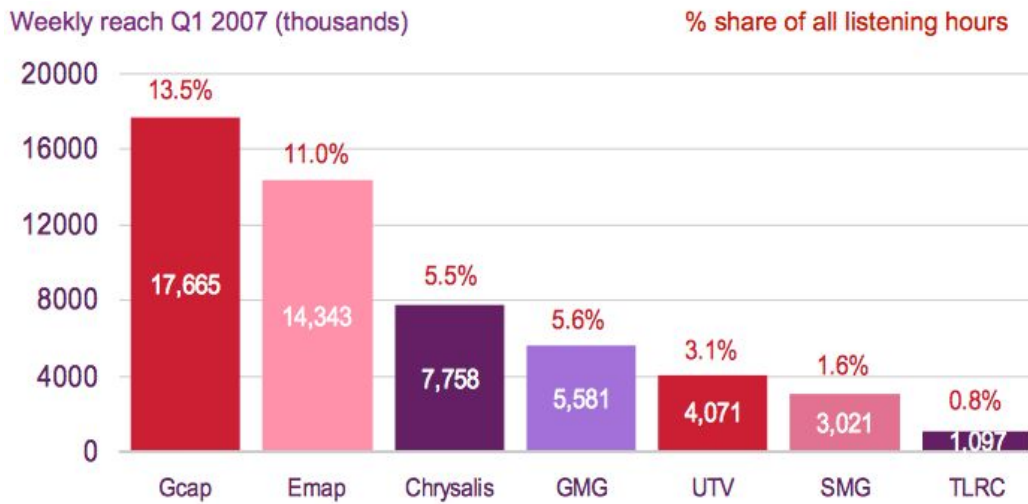
According to the commercial radio industry's own figures, the sector contributes £683m in gross value added to the economy and provides a return of £7.70 for every £1 invested by radio advertisers. Commercial radio works closely with the UK's music business to provide a showcase for new talent and music on local and national stations<sup>11</sup>. Commercial radio has helped to drive over £103m in music sales and paid a further £50m to artists in music rights payments in 2015.

In terms of public service content, commercial radio stations broadcast each week, on average, - 13 hours 15 minutes (news & sport, travel information, weather, charity appeals, what's on/local events); of this content about half is news & sport. Commercial radio also has a strong tradition of supporting local communities and social action and raised £25m directly for various charities in 2015.

Since the 2003 Communications Act, the commercial radio sector has consolidated as individual radio service licences were acquired first by regional groups, and these were later taken over by larger UK commercial radio broadcasters able to rationalise costs and drive greater investment in brands. The extent of this consolidation is set out in the following charts which shows market share by audience reach in 2015 compared with 2007.

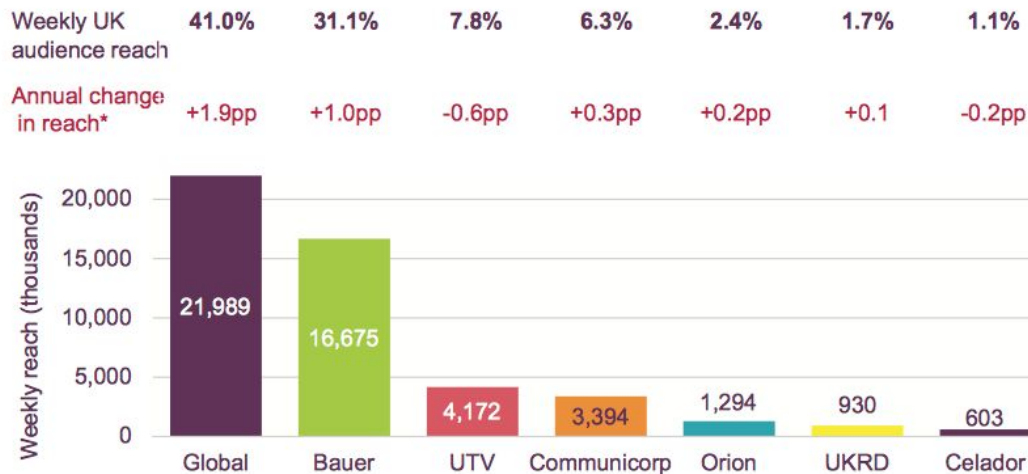
<sup>11</sup> Oxford Economics, "The Value of Commercial Radio to the UK Economy", May 2016  
<http://www.radiocentre.org/wp-content/uploads/2016/06/The-economic-impact-of-commercial-radio.pdf>

## Commercial Radio by Weekly Audience Reach 2007



Source: RAJAR Q1 2007, (all listeners 4+)

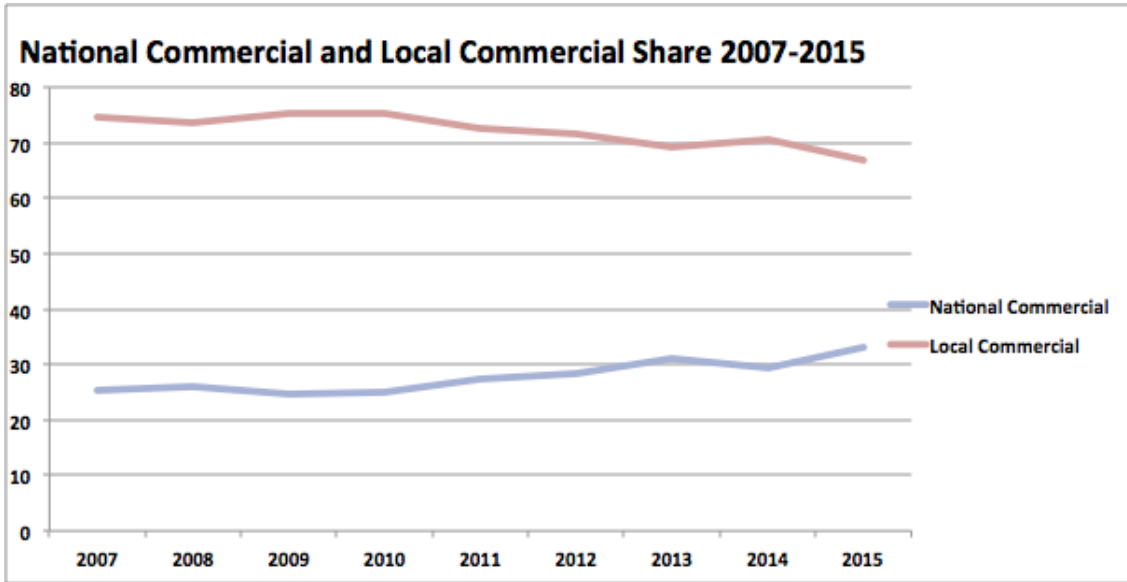
## Commercial Radio by Weekly Audience Reach 2015



Source: RAJAR, all adults (15+), Q1 2016. Base: National Total Survey Area \* Q1 '15 and Q1 '16  
 Note: UTV Radio started trading as Wireless Group in March 2016 and Orion Media Group was acquired by Bauer in May 2016.

Since 2007 Global and Bauer have emerged as the two largest commercial radio groups accounting for around three-quarters of all commercial radio listening and around 80% of commercial radio revenues. Their growth is due, in part, to a wider shift in the pattern of listening from local to national stations. National commercial services now account for around a third of all commercial radio listening up from a quarter in 2007.

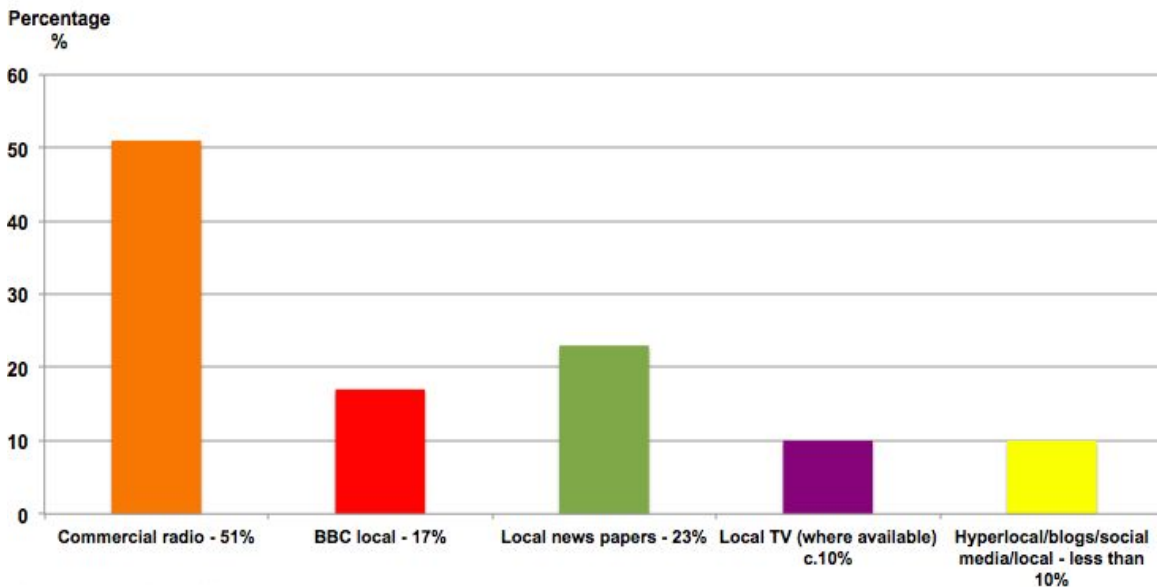




Source - DCMS from Ofcom Communications Market Report Series

In spite of the consolidation in ownership and the shift in listening to national services, local commercial radio still remains very popular with listeners and is valued by them as well as by local advertisers. Local commercial radio continues to be an important source of local news, reaching around 51% of all listeners. By comparison BBC local radio reaches only 17% of listeners (BBC’s national services reach around 60% of listeners).

### Sources of local news



Source: Letter from Ofcom to Ed Vaizey MP, 23 February 2016

The importance of local news and local information to listeners is also reflected in the qualitative research commissioned by Ofcom from Kantar Media.<sup>12</sup> This research looked in detail at the views of listeners to assess what they valued most and least about local commercial radio content. According to this research :

- **Radio is a highly valued and accessible medium** offering important personal and social benefits including serving as a companion and allowing effortless consumption of local information.
- **Listeners can readily differentiate between local radio stations** according to music and content or perceived target audience rather than delivering a high level of detail.
- **Listeners are familiar with the concept of networked stations** and welcome the continued provision of local news and travel updates, regardless of where the output originates.
- Radio is seen to play an **important role in meeting local content needs** in relation to other media sources especially in its immediacy and effortless consumption. Most participants associate local radio with **helping them learn about breaking news and providing short updates rather than delivering a high level of detail.**
- Although BBC local radio stations were also high valued, they were seen to provide **content focused on a wider regional** or - in relation to Scotland, Wales and Northern Ireland, on a more national level.
- Music is a key driver for listening but participants in the research also highlighted, without prompting, **local news and traffic updates as important content** for them on local radio.
- **Local news and local information updates are perceived as being more important than local presenters.** Few participants expressed concerns about where local content was made so long as it was relevant and accurate.

These findings link with other research commissioned by Ofcom which suggests that 45% of local commercial radio listeners particularly value local news on it and 35% value it for local travel and weather information. Only 20% of local commercial radio listeners particularly value having local presenters.<sup>13</sup>

## 2.4 Future challenges

Commercial radio performed strongly in 2015 and in Q4, for the first time since 2000, the sector had more listeners than the BBC, though less overall listening hours. Commercial radio took just under £600m in revenue (up 3% on 2014), driven mainly

<sup>12</sup> Kantar Media - Local Commercial Radio Content. Qualitative Research Report prepared for Ofcom. February 2016 - [https://www.ofcom.org.uk/data/assets/pdf\\_file/0026/81467/local\\_commercial\\_radio\\_content\\_research.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0026/81467/local_commercial_radio_content_research.pdf)

<sup>13</sup> Ofcom's Third Review Public Service Broadcasting Review - July 2015  
[http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb3/Annex\\_5\\_-\\_Radio\\_analysis.pdf](http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb3/Annex_5_-_Radio_analysis.pdf)

by a strong national advertising market which was up 5.6% on 2014 and 21% compared to 2013. Overall, revenues for commercial radio are expected to grow steadily in the short-medium term, reflecting a better understanding from advertisers about how radio can be used as part of multi-platform campaigns. This has been supported by Radiocentre initiatives to strengthen the evidence base on the effectiveness of radio as an advertising medium and communicate the benefits to advertisers. However, in the medium to long-term, UK commercial radio faces a range of challenges to maintain its audiences and revenues:

- Whilst digital radio's share of listening continues to steadily increase, it is clear, as we said in the BBC White Paper, that a switchover before the early 2020s is not likely; as a result commercial radio will still have to manage a period of simulcasting its services on analogue and digital that will be longer than expected before a full transition can take place.
- The growth of online music services such as Spotify, Deezer and online radio stations such as Apple Radio or stations facilitated by TuneIn<sup>14</sup> in addition to the existing competition from the BBC's radio services means that commercial radio will need to work harder to attract and retain listeners as they migrate their listening to new types of device.
- The drift of younger people away from broadcast radio is a key challenge for commercial radio. The average weekly listening hours for those aged 15-24 was 14.5 hours, falling below the overall average for all adults at 21.4 hours. This age group listens to five hours less of radio per week in 2016 than in 2005<sup>15</sup>. How to continue to attract interest amongst younger listeners means commercial broadcasters will have to make further investment in brands, in developing new content and accessing new music, in different distribution solutions for programme content and in making the most of strategies for using social media (such as making more use of informal videos to attract younger audiences who connect via YouTube or social media).

These market shifts are now well established. Unlike commercial radio in most other European countries, UK commercial radio continues to demonstrate the ability to adapt and innovate to attract and secure new audiences on the growing number of platforms that are currently available. As well as developing the capacity to build compelling offerings by using social media to connect with listeners who value the ability to participate and interact with stations and their presenters. The radio industry was farsighted in having the Radio Joint Audience Research (RAJAR) measure the

---

<sup>14</sup> TuneIn is an application which provides listeners access via the internet to over 100,000 radio stations, 4 million podcasts and has 60 million users worldwide - <http://tunein.com/>.

<sup>15</sup> Ofcom - The Communications Market 2016 - [https://www.ofcom.org.uk/data/assets/pdf\\_file/0009/21411/uk\\_radio.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0009/21411/uk_radio.pdf).

amount of online listening from its inception (online now accounts for 8% of all radio listening) and this has allowed commercial broadcasters to find ways to monetise their online services.

However, the regulatory structure for commercial radio has not kept up with the rapid shifts in the market and the response by commercial radio to reach listeners in an increasingly fragmented market. The government believes that there is now a compelling case for reform of commercial radio's licensing structure to help support the long term viability of national and local radio and the arguments for doing this become stronger the more listening shifts from analogue to digital.

## 3. Policy Proposals

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

Under the current statutory framework for licensing commercial radio, Ofcom is required to ensure that listeners have access a range and choice of music and speech content on radio. Ofcom's duties here are set out:

- In s85(2) of the Broadcasting Act 1990 - this requires Ofcom to do all that they can to secure the provision within the United Kingdom of a diversity of national analogue services each catering for different tastes and interests and a range and diversity of local analogue services, which is achieved under powers in section 314 of the Communications Act 2003.
- As part of Ofcom's general duties in section 3 of the Communications Act 2003 - this requires Ofcom to ensure the availability throughout the United Kingdom of a wide range of television and radio services which (taken as a whole) are both of high quality and calculated to appeal to a variety of tastes and interests.

The current statutory framework for analogue radio was established more than 25 years ago when listeners had far less choice of music and audio services. Since then, improved digital radio coverage and substantial increase in the choice of national and local stations available on DAB and the emergence of online radio stations and other audio services has revolutionised listening. The resulting shift in listening patterns and habits means the need for Ofcom to have such a wide-ranging duty is significantly diminished. The wide range of services now available means the market - to a very large extent - is delivering far more choice for listeners than Ofcom and before that the Radio Authority, as regulators, were asked to achieve. The government believes there is no longer a continuing need for Ofcom to continue to have such a broad responsibility for the management of radio markets.

**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?**

One of the requirements of the current structures is that radio stations have to be based in the UK to secure a licence. This contrasts with the position on television

where audio visual services can be licensed in any EU or EEA country under the provisions contained in the AudioVisual Media Services Directive (AVMSD).

This approach for radio services clearly made sense when spectrum was limited in order to allow for the development of commercial national and local FM services. However, the restriction also applies to digital sound programme (DSP) licences carried on DAB. This restriction has had a direct impact on RTE radio, the Irish National broadcaster. Although their services have been carried in the UK since the 1930s on Long Wave, they are not able to offer services in DAB.

As part of wider radio deregulation, we want to consider whether Ofcom should have more flexibility to license overseas radio stations carried on DAB. If this were extended, overseas stations that were licensed would need to meet the normal requirements for DSP services (including meeting the Ofcom Broadcasting Code).

**Q2. We would welcome views on this proposal and whether it should be limited to Irish broadcasters or more widely and if so whether Ministers should need powers to allow licensing to be extended to other countries?**

### **3.2 Format requirements for national analogue radio licences**

The three national commercial analogue licences, first awarded in 1991, are subject to a specific legal requirement that one service must be non-pop (currently Classic FM) and one must be speech-based (currently talkSport). These are set out in s85(2) of the Broadcasting Act 1990. The legislation also requires that the third licence (currently held by Absolute Radio) should be distinctive from the other two services. There is a power which allows these requirements to be amended by secondary legislation. Following changes made in 2015<sup>16</sup>, the holders of each national licence are able to opt for a further 5 year renewal which can be taken from 2018 onwards up to 2023; all three licensees have indicated to Ofcom that they will apply for a renewal.

The launch of the second national digital radio multiplex in March 2016 brings the total number of national commercial radio services, including the three national analogue services, to 31. This is in addition to the 11 national digital services operated by the BBC. Although this expansion of national services has increased the range and choice of commercial stations that are available to listeners, the stations holding national licences account for 8.5% share of all radio listening<sup>17</sup> and there is

---

<sup>16</sup> The Legislative Reform (Further Renewal of Radio Licences) Order 2015

<sup>17</sup> Rajar Q3 2016

still considerable commercial value in holding the national analogue licences (as set in the table below shows).

### National Analogue services - Share by Platform

Station	Digital Listening (Share)	Analogue Listening (Share)	Analogue Listening on National Licence
<b>Absolute Radio</b>	59.2%	40.8%	c 15%
<b>Classic FM</b>	44%	56%	100%
<b>talkSport</b>	44.8%	55.2%	100%

Source: Rajar Q3 2016

The government believes the case for amending or removing the format requirements for the three existing national analogue licences is not a particularly compelling one given the very limited FM and AM spectrum available to national commercial services. Given the lack of FM spectrum in particular, such a change would require Ofcom to hold a new open competition for the licences. Such a competition would need to take place before the expected date of expiry in 2023 and, under current legislation, would be for 12-year term. Holding such a competition would be a significant change to the long-term policy of encouraging new national services on to DAB and could complicate planning for a future switchover if any new services licensed in this way need to be terminated to facilitate a switchover..

The alternative approach would to remove the requirements from all three existing licences. However, we believe this could narrow the range of choice of services for listeners who have not yet switched (or switched all their radio listening) to digital radio. With only one national FM licence available, such a change could in theory allow the licence holder (Global Radio) to move an existing service in place of Classic FM. This change poses possible risks to competition across national analogue and digital services as well as removing a popular service on analogue that, according to Ofcom could not be easily replicated for its listeners.

**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)?**

### 3.3 Local Radio non-news format requirements

Unlike national services, where the framework for format requirements are underpinned by specific provisions set out in the Broadcasting Act 1990, local analogue station format requirements have evolved from the original prescriptive statements about performance requirements set out in independent local radio (ILR) licences issued in the 1970s and 1980s. The changes introduced in the Broadcasting Act 1990 and later in the Communications Act 2003, allowed for a simplification in how a station's local content requirements are set out for stations. Ofcom includes conditions in each station's licence about its output - known as a station's format - that encapsulates the 'character of the service' the station is committed to deliver based on what the licensee proposed to provide in their original application for the licence.

Since 2003, Ofcom has used the flexibilities it has within the current legislation to reduce the detail and number of format requirements in local analogue station licences. The most recent change made by Ofcom followed its review of the role of music in radio formats in 2015<sup>18</sup>. This allowed certain synonymous descriptions to be simplified into 'mainstream popular music' without the need to consider any such changes in accordance with the statutory format change process.

The changes in Ofcom's policy still require local commercial stations to report their format to Ofcom and seek permission from the regulator to change the format to simplify their music description in line with the above. Ofcom has indicated it will not consider this type of change as representing a change to the character of the service and therefore it will be approved without the need for it to be considered in accordance with the statutory format change process. However, for a specialist commercial station this is - in theory at least - more difficult to achieve if the changes it is seeking to make to its format are considered by Ofcom to relate to the overall character of the service rather than a specific music genre or music for a particular ethnic audience.

Music formats ensure that consumers are given access to stations which vary in their interests. This is particularly relevant for local stations where the formats are likely to reflect the interests of those who live in the local area, resulting in different content compared to existing services<sup>19</sup>. Responses to Ofcom's consultation on music in radio formats review suggests that listeners would not be impacted negatively if music formats were removed and local analogue stations were free to play whatever

---

<sup>18</sup> [www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0025/51667/statement.pdf](http://www.ofcom.org.uk/__data/assets/pdf_file/0025/51667/statement.pdf)

<sup>19</sup> Ofcom's 2014 Review of music in radio formats -

[https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0025/80845/review\\_of\\_music\\_in\\_radio\\_formats\\_cfi.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0025/80845/review_of_music_in_radio_formats_cfi.pdf)



music they wished. Analysis conducted by Ofcom<sup>20</sup> shows that 77% of local analogue stations currently have an obligation in their licence to play 'mainstream popular music' but around a quarter still have requirements which are more prescriptive about the output and more difficult to change. These requirements guarantee a choice of music and, in some areas, specialist formats. The change would mean that listeners served by stations with specialist music requirements could see these stations move away from longstanding programming and opt for more generic content without Ofcom's consent, potentially reducing the choice of those listeners affected.

However, the government believes that music requirements in radio formats - other than where they apply to national analogue licences - now serve very little purpose and simply act as a barrier to stations wanting to experiment with the types of music they want to play. Although the most recent Ofcom changes have moved a significant way in loosening the rules, there is still a requirement for station formats to be recorded by and changes made via the regulator even though there is now very little value to this activity.

**Q4. We would welcome views on the consequences of removing all remaining music in radio formats requirements in local analogue station licences in terms of the range and availability of choice of music genres available for listeners.**

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

Amongst the most important contribution commercial radio makes to listeners in the communities it serves is the provision of high quality accurate and reliable national, international and local news. According to research commissioned by Ofcom, this content is highly valued by listeners: 51% of the UK adult population listens to local commercial radio news. To put this in context only 16% of adults in England listen to BBC local radio<sup>21</sup>.

Commercial radio also provides two dedicated national news services in LBC (which went national in 2014) and talkRadio (launched on the second national commercial digital multiplex in March 2016) and a national business news service (Share Radio - which also started broadcasting nationally in March 2016) as well as local news services including those targeting Asian and other ethnic communities. This rich mix contributes to the plurality of local news sources as well as providing communities

---

<sup>20</sup> Ofcom's 2015 review of music in radio formats <http://stakeholders.ofcom.org.uk/consultations/formats-review/>

<sup>21</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0030/76908/letter\\_to\\_ed\\_vaizey\\_mp\\_230216.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0030/76908/letter_to_ed_vaizey_mp_230216.pdf)

with information about local events and helping to promote engagement within communities.

Drawing from this research, Ofcom identified three particular characteristics relating to the provision of local news on local commercial radio which could be said to have a wider public value:

- **Reach** - commercial radio remains an effective means of reaching large numbers of people with 51% of adults tuning in each week. Local commercial radio listeners tend to be younger, of lower socio-economic classification (C2DE) and more ethnically diverse than listeners to any other type of radio service.
- **Accessibility** - local radio news is more accessible than other sources, such as press and on-line where content must be sought out.
- **Plurality** - Ofcom's research suggests that commercial radio also contributes to a plurality of local news sources across the UK - with commercial radio accounting for 5% of news references nationally.

Commercial radio also plays an important and sometimes vital role during disasters or civil emergencies, providing essential information including from the emergency services. During the floods caused by Storm Desmond in December 2015, CFM in Carlisle, Lakeland FM in Cumbria and The Bay in Lancaster all went the extra mile to connect with their communities even though The Bay was temporarily off air. Presenters from The Bay also appeared on Sky News updating viewers on the local situation. CFM made major changes to its schedule to give extended local news and travel bulletins outside its normal core period until the situation had stabilised.

The government believes that unlike music format requirements, it remains essential for national and local commercial radio to continue to have obligations to provide news and other critical information:

- In the case of national stations, this means national and international news, national weather and travel information and (where appropriate) emergency information.
- In the case of local stations, this means national and international news bulletins, local news, local weather and travel information and "what's on" information and (where necessary) emergency information.

In their advice to government in February 2016, Ofcom highlighted research showing that 45% of commercial radio listeners particularly value local news and 35% value local weather and travel services. This reflects the conclusions of John Myers's

review in 2009<sup>22</sup> when he identified that local news, local travel and weather and issues affecting local communities directly are amongst the most important attributes listeners seek when selecting a radio station and that requirements to provide these services should, if anything be enhanced.

As Ofcom concluded, the costs of producing local news are such that without clear regulatory requirements, there was a significant risk that this content would not be provided to the extent it is now. Ofcom highlighted changes to requirements on local AM services which led to the loss of news provision

The government's preliminary position is that there should still be requirements for national and local commercial radio to provide news and that this should be extended to essential core information such as traffic and travel information and weather even though, according to Ofcom, there is no current market failure. The government notes that this is a view that is generally shared across commercial radio which understands the importance and value that listeners continue to place on these services alongside music and other entertainment. Removing the requirements would not only weaken media plurality and local media plurality especially but it would weaken the case for continuing to provide commercial radio with significant allocations of spectrum without some form of charging structure to deliver and secure public value.

To support this, we propose to:

- Refocus Ofcom's purpose in terms of future radio regulation to securing a wide range of high quality national and local news and other core national/local information.
- Revise Ofcom's powers in this area to allow Ofcom to set clear guidance on how these requirements are set and to be able to tailor requirements based on the size of the target audience for each station. This will cover the average minutage for news/core information services at various times of the day as well as weekdays.
- Allow these requirements to be tailored for certain types of stations such as those aimed at an ethnic audience and religious stations.

Commercial radio plays a different and arguably more important role in Scotland, Wales and Northern Ireland where the BBC operates services at the level of each nation rather than the mainly county sized local radio services in England. As a result, the importance of local commercial radio in terms of local media plurality is

---

<sup>22</sup> An Independent Review of the Rules Governing Local Radio Content - John Myers for DCMS April 2009  
[http://webarchive.nationalarchives.gov.uk/+/http://www.culture.gov.uk/images/publications/An\\_Independent\\_Review\\_of\\_the\\_Rules\\_Governing\\_Local\\_Content\\_on\\_Commercial\\_Radio.pdf](http://webarchive.nationalarchives.gov.uk/+/http://www.culture.gov.uk/images/publications/An_Independent_Review_of_the_Rules_Governing_Local_Content_on_Commercial_Radio.pdf)

even greater as Ofcom have highlighted. We believe it will be important to ensure that the requirements for national and local news and other core information provided by local commercial radio in Scotland, Wales and Northern Ireland can be set with reflecting the specific needs of listeners in each of the Nations. However, this will need to be achieved in a way that does not impact on the reservation of powers to license radio and television broadcasting which fall to the UK Parliament. We think the most appropriate approach would be to allow Ofcom flexibility to set enhanced requirements national and local news and other core information, so it can set different conditions for local commercial stations operating respectively in Wales, Scotland or Northern Ireland. We also propose that Ofcom be required to consult on these arrangements and on any future changes to these arrangements.

**Q5. Does Ofcom need to have a continuing role to ensure sufficient news/important national and/or local information is provided by commercial radio – 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 was narrowed to cover just news and key local information?**

**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?**

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

Currently, the requirements to provide news and other core information services only apply to stations holding national or local commercial analogue licences and are secured under conditions in their licences. These requirements do not apply to stations broadcasting only on DAB (or on DAB online), though they do apply for analogue stations that also simulcast on DAB. Currently there are 20 national DAB-only stations and 54 DAB-only stations carried on local multiplexes of which 9 are multi-mux services (services carried on more one local multiplex).

Looking ahead to the longer term and the need to align the analogue and DAB licensing regimes in the event of a future switchover, the government agrees with Ofcom’s assessment that without any requirements for the provision of news, and especially local news, this type of content would be underprovided by the commercial

market and therefore there is a need to secure local news requirements on DAB-only stations. We have identified two broad approaches:

- (a) **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) or core local information. For digital only stations on local multiplexes in particular, this would be a significant departure from the current position.
- (b) **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.

### ***Option (a) extend to national/local digital only stations***

As a significant proportion of stations carried on the two national multiplexes are already providing national news and information, extending and formalising this arrangement - as option (a) would seek to do - would not be such a significant change, though there would be impacts on specialist stations.

However, placing similar requirements on local digital services could add significant costs and burdens for smaller stations especially those which cater for specialist or niche audiences. There probably should also be a need for some wider exemptions, which could include community radio, specialist music stations and ethnic and religious stations as well as stations below a certain size, though this would make for a very complex regime. Although the requirement to provide news would only need to take effect at a point of switchover for local digital-only services, we think that this option may result in fewer stations wanting to broadcast on local multiplexes and potentially impacting on future demand for capacity.

### **Option (b) place obligations on local DAB multiplex operators**

This option would place obligations on local multiplex operators - who effectively control access to the spectrum - to secure that a sufficient number of local DAB services carried local news and core information on the local multiplex. All local multiplex licensed areas have at least one heritage commercial radio service that provides news and core information on their networks. However, the number of local news services available on local multiplexes differs across the UK and Ofcom would need to formally set requirements for each of the local multiplex areas based on the current provision and keep this under review.

**Q8. We would be grateful for views on which of the options set out above 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?**

### **3.6 Local content and production requirements**

Local analogue commercial stations must produce a significant proportion of locally made content. Section 314 of the Communications Act 2003 places a duty on Ofcom to ensure that each local analogue service broadcasts local material, to the extent (if any) that Ofcom consider appropriate in that case, and ensure there is a suitable proportion of locally-made programmes. Under the legislation Ofcom is also required to draft, publish and maintain guidance<sup>23</sup> setting out how local analogue services can satisfy the requirements. This guidance sets out Ofcom's general policy in relation to the localness requirements and how Ofcom are likely in most cases to apply them to local stations. Ofcom's guidance includes descriptions in relation to local material and locally-made programmes.

Ofcom's current guidance suggests that local FM stations should produce 7 hours or more of locally made programming per day, including during breakfast peak period for stations providing enhanced news services - as defined by Ofcom in their localness guidance<sup>24</sup>. Otherwise the locally produced content requirement for local FM stations is 10 hours during weekday daytime, including breakfast. In addition each station should produce a minimum of 4 hours a day of locally-made programmes at weekends (in daytime). The guidance for AM local stations differs, although they should also provide a certain number of hours of locally made output. There are no such requirements on DAB-only stations carried on local DAB multiplexes.

Ofcom's guidelines also explain that local content can be delivered in a number of ways with the balance for each station to determine. Locally-made programmes are those made within a station's licensed area or a wider area approved by Ofcom under the Digital Economy Act 2010. The extent to which local material and locally made programmes must be included in the radio service provided by a licensee is specified in the station's format and may vary by station.

---

<sup>23</sup> <https://www.ofcom.org.uk/tv-radio-and-on-demand/information-for-industry/radio-broadcasters/localness/localness-guidelines>

<sup>24</sup> Ofcom - Localness guidelines - 6 September 2010

<https://www.ofcom.org.uk/tv-radio-and-on-demand/information-for-industry/radio-broadcasters/localness/localness-guidelines>

The Digital Economy Act 2010 introduced significant amendments to the localness rules including changing the definition of “local” to an expanded approved area (by Ofcom). These changes gave local FM stations the ability to share services within expanded editorial areas defined by Ofcom and reduce the duplication of fixed production costs to some extent. However, local commercial radio is still not able to fully benefit from the flexibility of new technologies which allow for high quality local content to be produced in different settings to meet the business needs of stations. The requirement on local stations to maintain such a large local presence adds to the fixed costs of running local commercial radio services<sup>25</sup> and runs the risk, in the longer term, of forcing the larger groups away from continuing to support the production of high quality local news and other content.

There remain good arguments for maintaining the requirement for local commercial analogue stations to produce content locally as per Ofcom’s guidance in order to protect local production centres given the station has the benefit of access to local advertising (as a result some stations have a considerable share of local advertising in their markets). These are important considerations and have underpinned arguments to retain s.314 of the Communications Act 2003. However, as radio moves steadily towards a digital future, the government believes that the detailed and prescriptive requirements that prevent licence holders from organising their stations in a way which maximises the benefits from the use of new technology and best suits the objectives of different local stations should no longer apply.

And whilst there remains a strong demand amongst listeners for stations that are part of local groups to continue to broadcast local news content along with other core local information, the findings from the research Kantar Media carried out for Ofcom show that listeners are less concerned about where the content is produced than its quality and local relevance. There is still, clearly, a demand for locally produced and locally relevant material (outside of news) based on the traditional model of local commercial radio and a desire by groups such as Celador, UKRD, the CN Group and Nation Radio to continue delivering radio services in this way. However, the research carried out by Kantar on behalf of Ofcom suggests that listeners are generally relaxed about the networking of programming and attach more value to the quality of presentation and entertainment over where the content is physically produced.

---

<sup>25</sup> In page 26 of the report of his review John Myers noted that ‘... the cost structure of the local radio industry is dominated by ‘fixed costs’, meaning that there is little significant difference between the costs of operating a radio station broadcasting in a market of 100,000 people and the costs of a station serving a population of 1,000,000.’ source: An Independent Review of the Rules Governing Local Content on Commercial Radio

The government believes the right approach is to substantially reform the local content and production requirements set out in s314 of the Communications Act 2003 to bring this into line with the new news and core information content conditions. Our view is that Ofcom's localness obligations should be narrowed from setting prescriptive requirements covering all aspects of local content to just setting requirements for the amount of local news and other core local information that should be produced locally. This would include setting guidance for how local stations should go about achieving this requirement and ensure that this type of content continues to be locally sourced as well as locally relevant. Outside of this, local stations would be given greater flexibility on where to produce programme content and have greater freedom to broadcast more network services provided the local news they broadcast was in line with the current provision (in terms of quantum and quality) and of a high journalistic standard.

**Q10. We would welcome views on the proposal – set out above – 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.**

Commercial stations operating in the Nations play an important role in the respective local media landscapes. The government therefore agrees with Ofcom's view that there may be a case to maintain the requirement for local content carried on local stations in Scotland, Wales and Northern Ireland to be produced in each nation; albeit with much more scope to broadcast network content services across each nation provided that the national and local news and other core requirements set for for services operating Scotland, Wales and Northern Ireland are met.

**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.**

### **3.7 Revised licensing arrangements**

The cumulative effect of this package of changes would be to fundamentally alter the licensing arrangements for commercial radio. Although we are not proposing to change the format requirements for the three national analogue services, for the holders of local analogue licences, the obligations would be much narrower and focussed on local news and on the provision of core local information. This has implications for the way in which these requirements are secured and how future licence awards are made.



### 3.7.1 Licence advertisements and awards

Streamlining the conditions on commercial radio as part of aligning the requirements for analogue and DAB station licences, will constrain Ofcom's ability to licence new commercial analogue stations. Seeking applications and determining awards on the basis of a beauty parade (as it does at present) requires Ofcom to assess applicants against a range of factors, but arguably up to now Ofcom have viewed the crucial factors as localness and music programming. However, the new lighter touch requirements, proposed in this consultation, means that Ofcom will only be able to require from licensees a narrower range of obligations over and above those related to local news and other core information linked to the viability of the proposed service. For this reason, as part of this package of changes, the government is seeking views on whether Ofcom's powers to license new analogue commercial radio stations also need to change.

Since 2003<sup>26</sup> national and local analogue licence holders have been able to renew FM or AM licences for further periods in return for the commitment to simulcast services on an appropriate DAB multiplex. These arrangements were subsequently extended by the Digital Economy Act 2010 and in 2015 by amendments made to sections 103B and 104AA of the Broadcasting Act 1990 by the Further Renewal of Radio Licences Order 2015/2052. In 2004, Ofcom announced that it would give priority when allocating available spectrum in the Medium Wave (MW) and Very High Frequency Range (VHF) bands to the launch new community radio services. Ofcom completed the last major round of analogue commercial radio station licensing in 2007. The result of both policies has been to support the development of digital radio services and DAB coverage and the emergence of a vibrant community radio sector with around 244 community radio services currently on air.

As a result one of the wider effects of the long-term strategy of supporting the development of DAB and community radio has been that the majority of analogue licences in issue have renewed by the existing licence holders in return for support for DAB and all existing commercial radio analogue licences can, in theory, be renewed until at least 2023<sup>27</sup>. The majority of local analogue commercial licences that have come up for competition since 2003 were for stations that chose not to broadcast on DAB (either because they couldn't afford to be on DAB or for whom DAB was not suitable due to a mismatch in coverage areas). In the vast majority of

---

<sup>26</sup> s.103A BA 1990 as amended by Schedule 15 of the Communications Act 2003, paragraph 44.

<sup>27</sup> Indeed throughout the whole life of Commercial Radio, only 4 incumbent licence holders have failed to win their licence in a competition when it has been re-advertised.

these cases the incumbents were able to go through the fast track renewal approach because no other bidders expressed an interest in the licence and even in the instances where there was competition for the licence the vast majority of existing licence holders were successful in their bid.

In considering longer-term options, one approach would be to insist that from the point a digital switchover is confirmed by government, whenever an analogue licence reaches the end of its term, a station's only option is to renew the licence on the basis of taking carriage on a relevant DAB multiplex; otherwise the analogue licence would lapse. However, doing this would force many smaller commercial stations to take DAB carriage without any reference to their circumstances. For smaller stations whose licence renewals were due immediately after a digital switchover has been confirmed, the effect could be particularly harsh if there were no suitable small-scale DAB multiplex available in the locality to provide them with a choice of platforms for broadcasting on DAB (for some stations there may be no relevant multiplex available and other arrangements for renewal would be needed). The government does not believe this would be the right approach.

The alternative, first proposed by some commercial radio groups during the government's 2014 consultation on the further renewal of national and analogue commercial radio licences, would be to make the duration of all analogue licences open ended for a flexible period up to the point when switchover takes place if renewed before the end of the existing term. All analogue radio licences are currently subject to the power in s105A of the Broadcasting Act 1990 which allows the Secretary of State to direct that Ofcom terminate analogue licences with a minimum of two years notice in order to facilitate a radio switchover. This power is designed to facilitate an orderly transition to digital by allowing for a common cut off date for licences. There are a number of advantages to this proposed approach. Primarily it would avoid the cost and uncertainty to licensees caused by having to re-bid for their licences and the impact to the sector's investment in radio.

In July 2013<sup>28</sup>, the government said that small commercial radio stations - whose coverage was defined as below 40% of the measured coverage area (MCA) of the overlapping local DAB multiplex - could choose to continue broadcasting on analogue post a switchover. As the Government made clear in 2013, the arrangements for these stations will need to be reviewed and confirmed as part of any considerations about a future switchover decision. But we believe it would be prudent, at this point, to ensure that Ofcom does have the appropriate powers to extend licences for analogue services up to any future switchover and to continue licensing those smaller commercial stations that will choose to carry on broadcasting on analogue after any future switchover.

---

<sup>28</sup> Connectivity, Content and Consumers - Britain's digital platform for growth DCMS July 2013

**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.**

**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?**

### **3.7.2 Renewals and requirements to simulcast on DAB**

Some local stations and smaller groups have argued for a relaxation in the linkage between licence renewal and carriage on DAB citing the cost of carriage on local DAB multiplexes which, in some cases, cover a significantly larger geographic area than the station's total survey area (TSA) for local advertising. Given that digital radio already accounts for more than 50% of national radio listening and an increasing share of local listening, removing this requirement for larger commercial broadcasters would have little impact given their investment and long-term commitment to digital broadcasting. However, there is a risk that removing the requirement for smaller analogue stations taking a renewal to simulcast on DAB could result in churn of the services carried by local multiplexes and have a harmful impact on the investment made by the operators of these networks to expand local DAB capacity and coverage.

Our initial view is that the existing licence renewal regime has broadly worked well for commercial radio services. It has supported the steady migration of listeners to digital as well as investment by local radio multiplex operators in improved coverage and by radio equipment manufacturers and the car industry in investing in new products; any changes here need to be looked at carefully in light of the wider market impact. We therefore believe that stations that have previously renewed their licences because of DAB carriage must be carried on an appropriate local multiplex (which subject to coverage could include a small scale DAB multiplex) for future renewals. But smaller stations who have never had a DAB renewal and whose licenses are due to expire should be able to renew without taking DAB carriage.

**Q15. We would welcome views on these proposals 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.**

### **3.7.3 Provision for commercial stations wanting to vacate analogue licences**

Commercial radio stations that hold analogue licences still draw substantial audiences. However, the market is changing and overall analogue radio's share of listening is declining steadily. This shift is more marked in some areas and analogue now accounts for less than 50% of all listening to national radio stations as a whole. For some national commercial stations, analogue accounts for a much smaller proportion of listening - see examples in the table below:

<b>National stations</b>	<b>% Digital</b>	<b>% Analogue</b>
Radio X	76.3	23.7
Gold	63.7	36.3
Magic	62	38
Absolute Radio	59.1	40.9
LBC	55.9	44.1
Capital XTRA	46.4	53.6
talkSPORT	45.8	54.2

Source: DRUK from Rajar - November 2016

In the next couple of years the continuing decline in analogue listening and concurrent shift to digital will encourage some stations to make the move to reduce analogue coverage or close down analogue services in order to rationalise distribution costs. This is particularly likely for stations that broadcast on AM, whose usage by listeners is declining faster than FM.

The broader changes to Ofcom's powers outlined in this consultation paper to ensure a choice of radio services and licence analogue radio services would open up the option of enabling Ofcom to support those commercial radio stations wanting to scale back analogue services or even hand back their licences. This could, in the medium term, create benefits in terms of supporting the transition to digital radio by providing an incentive to stations making commercially sensible choices including whether and

when to hand back their analogue licences to Ofcom when a station itself judges that it is in its own commercial interest to do so.

**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.**

### **3.8 Consequential Changes**

The changes to the overall licensing structure proposed in this consultation will have impacts on two other aspects of radio licensing:

- Multiplex licensing
- Community Radio

The changes may also impact on the arrangements for licensing additional services carried alongside analogue and digital radio and stations that apply to hold restricted service licenses on FM or AM (known as RSLs). There are no immediate plans to consider changes here though some consequential changes may needed to be made given the proposals considered in this consultation

#### **3.8.1 Multiplex Licensing**

If the government, following this consultation, does proceed with changes to Ofcom's role in guaranteeing a broad choice of radio services, it follows that its current powers to ensure that all national and local multiplexes carry a range of services and the process for dealing with requests from multiplex operators to change the services carried on their networks will also require reform.

Under s.54(6A) of the Broadcasting Act 1996, Ofcom may not vary a national radio multiplex licence where it appears that, if the requested amendment were made, the capacity of the digital sound programme services broadcast under the licence to appeal to a variety of tastes and interests would be unacceptably diminished. For local radio multiplexes, Ofcom may vary a licence only where they are satisfied that the variation would not unacceptably narrow the range of programmes available to people living in the areas where the multiplex service is provided; or if the variation is in the interests of competition; or there is user demand for the changes to the services.

The retention of this duty adds to the costs and complexities of managing national and local multiplexes and is difficult to enforce. For listeners, perhaps the real test is the range of choice available to them on DAB across the BBC and all commercial services and not what is carried by one particular multiplex.

At present, the government considers the best way of ensuring listeners have a broad range of choice of services is by encouraging improvements in digital radio (DAB) capacity, extending the coverage of DAB networks and opening up more options for smaller stations to broadcast on a DAB platform. We have supported these aims through jointly funding - with commercial radio and BBC - the recent local DAB network expansion programme, by agreeing for Ofcom to license a second national commercial radio multiplex and by supporting the technical trials to test the viability of small scale DAB multiplex technology.

### **Small Scale DAB**

New developments in technology have supported the development of innovative techniques for broadcasting digital audio broadcasting services (DAB) using software-enabled radio. This approach allows for coding and multiplexing of audio services to be done in software using no more than a laptop computer with the right software. This approach greatly simplifies the delivery of services and makes it possible for smaller stations to broadcast on DAB at a lower cost.



In December 2013, the government announced funding of £500,000 to support the development of 10 local pilots to test this approach. In September 2016, Ofcom published the result of the small scale DAB trials. This demonstrated the robustness of delivering digital radio services using software enabled technology to small local areas and opened up the prospect of delivering these services at much lower costs for smaller commercial and community stations.

The government is supporting a Private Member's Bill introduced by Kevin Foster MP on 4 July 2016 to allow for the creation by secondary legislation of a modified multiplex licensing regime for Small Scale DAB and, subject to successful passage of the Bill, will consult separately on the detailed licensing arrangements following a further round of work with Ofcom and with the radio industry.

In terms of ensuring fair competition and treatment, Ofcom has a wide range of powers to ensure that multiplex operators act properly and do not unfairly

discriminate against a station. The proposed changes would allow for much simpler arrangements between multiplex operators and Ofcom and reduce the number of contacts between them, for example in providing Ofcom with information on changes in station line-ups.

**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.**

The cumulative effect of these changes would also mean that the existing criteria for the award of new multiplexes might also need to change. This could be done either by placing more emphasis on coverage and service reliability but this would be less effective in large urban areas (such as London and Manchester) where the services would already have extensive local coverage and where there is currently an excess of demand for local multiplex capacity. The alternative is to make more extensive use of the provisions to charge a percentage of qualifying revenue where there is a competitive bidding situation.

**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.**

### **3.8.2 Community Radio**

Community radio stations differ from commercial broadcasters in two main respects: they are not for profit entities and through local engagement and volunteering, offer social gain to the communities they serve. Community radio is subject to a different regulatory regime as set out in the Community Radio Order 2004. The government reviewed the financial regulations which limit the amount of revenue that community radio stations can raise from advertising and sponsorship and the licensing regime in 2015 (The Community Radio (Amendment) Order 2015 (S.I. 2015/1000). These changes came into effect on 27 March 2015.

The government is not currently planning for further changes to the overall structure Community Radio licensing at this time. However, the changes proposed in this consultation to the duration of commercial radio station licences, particularly whether these should include an open ended extension up to the point of a switchover, do have have a read across to community radio especially as the licences for the first stations on air in 2005 will expire in 2020. We will also , in the longer term, need to consider the digital licensing regime for Community Radio in the light of Kevin Foster MP's private member's Bill currently before Parliament

**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.**



## 4. Timing and Next Steps

The consultation will run for 12 weeks from 13 February 2017 and **will close at 5pm on Monday 8th May 2017.**

Our preferred method of capturing your responses to the questions set out in this document is via email using [commercialradio@culture.gov.uk](mailto:commercialradio@culture.gov.uk).

Hard copy responses can be sent to:

FAO Commercial Radio Deregulation Consultation  
Media Team  
Department for Culture, Media and Sport  
4th Floor,  
100 Parliament Street  
London  
SW1A 2BQ

We recognise that radio can be a valued ‘companion’ for blind and partially sighted individuals. We are particularly interested to hear views from individuals and organisations representing this group of citizens.

Please note all information in responses, including personal information, may be subject to publication or disclosure under the Freedom of Information Act 2000. If a correspondent requests confidentiality, this cannot be guaranteed and will only be possible if considered appropriate under the legislation.

### Next Steps

A summary of responses and a government response on the way forward will be published on the GOV.UK website in due course following the closure of the consultation.

The government’s response will take all responses submitted to this consultation into account and it will be based on a careful consideration of the points made in consultation responses, not the number of responses received. The views submitted as part of this consultation will help to shape further thinking on policy development.

## 5. Summary of proposed changes

Licence Type	Current	Proposed
<b>National Analogue Sound Broadcasting Licence (SBL) CA 245(2)(a)</b>	Two licences with statutory format requirements (a) Classic FM (non pop) (b) TalkSport (speech)	No change - licences will be renewed for period to 2023. Powers will allow licences to be extended further if the government confirms a switchover will take place
<b>Local AM/FM (SBL) and digital (DSP) carried on local muxes CA 245(2)(a) and 245 (2)(e)</b>	Music/speech content requirements set as character of service. Currently set by Ofcom as 7 or 10 hours local content including AM peak. Local content must come from within agreed editorial area	No music/other format requirements. Stations instead must fulfil local “news/core information requirements” requirements. Exempted(e.g. specialist or community stations). Requirements can be different in the Nations. For digital-only stations the requirement would apply but not before a before DSO.
<b>National digital-only stations CA 245(2)(e)</b>	None unless simulcast	Stations must fulfil national “news etc.” requirements unless they are a specialist or serving a community - for digital only stations these would not apply before DSO
<b>Radio Licensable Content Services -DSAT/Cable (RLCS) CA 245 (2)(b)</b>	No restrictions	Consider extending national news requirements at DSO - many stations are simulcast DAB stations.
<b>National/Local Mux Licence requirements - CA 245(2)(d)</b>	Range of services a consideration for the application and award of licences.	To relax provisions on changes to services carried. For new licences to allow a greater focus on delivery of the multiplex service and coverage improvements..
<b>Restricted Service Licence (RSLs) CA-245(4)(c) ASLS (FM) DAS CA 245(2)(c) and (f)</b>	Outside scope of this consultation/ licensing structures will need be considered further.	

## **6. List of Questions**

### **Ofcom's Role and Duties**

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?

Q2. We would welcome views on this proposal and whether it should be limited to Irish broadcasters or more widely and if so whether Ministers should need powers to allow licensing to be extended to other countries?

### **Format requirements for national analogue radio 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)?

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

Q4. We would welcome views on the consequences of removing all remaining music in radio formats requirements in local analogue station licences in terms of the range and availability of choice of music genres available for listeners.

### **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 – 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 was narrowed to cover just news and key local information?

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?

## **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 options set out above 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?

## **Local content and production requirements**

Q10. We would welcome views on the proposal – set out above – 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.

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.

## **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.

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?

## **Renewals and requirements to simulcast on DAB**

Q15. We would welcome views on these proposals 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.

### **Dealing with commercial stations that may want to vacate analogue licences**

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.

### **Consequential changes**

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

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.

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.

## **ANNEX A - Further information about this consultation**

For enquiries about the practicalities of responding to this consultation, rather than responding to the content, please contact the DCMS Ministerial Support Team at the Department for Culture, Media and Sport, 4th floor, 100 Parliament St, London SW1A 2BQ or email using the form at [www.gov.uk/contact\\_us](http://www.gov.uk/contact_us).

Information provided in response to this consultation, including personal information, may also be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (“FOIA”), the Data Protection Act 1998 (“DPA”) and the Environmental Information Regulations 2004).

The government may publish responses received. If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, please identify, and provide explanation for, any information that you consider confidential and do not wish to be disclosed.

If we receive a request for disclosure of the information, we will take account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. It would need to be considered appropriate under the relevant legislation. You should note that many email messages carry, as a matter of course, a statement that the contents are for the eyes only of the intended recipient. In the context of this consultation such appended statements will not be construed as being requests for non-disclosure unless accompanied by an additional specific request for confidentiality.

The Department will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.



Department  
for Culture  
Media & Sport

4th Floor, 100 Parliament Street  
London SW1A 2BQ  
[www.gov.uk/dcms](http://www.gov.uk/dcms)