



DEPARTMENT FOR CULTURE, MEDIA AND SPORT

**Government Response to the House
of Lords Select Committee on
Communications Report into Digital
Switchover of Television and Radio in the
United Kingdom Session 2009-10**

*Presented to Parliament by the
Secretary of State for Culture, Media and Sport
by Command of Her Majesty
June 2010*

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Government Response to the House of Lords Select Committee on Communications Report into Digital Switchover of Television and Radio in The United Kingdom

Introduction

1. The Government welcomes the report by the Lords Select Committee on Communications into digital switchover of television and radio published on 29 March 2010.
2. The report provides a detailed consideration and assessment of many of the issues that have emerged from the implementation of the TV Switchover programme, and the Government welcomes the Committee's view that progress so far has been encouraging.
3. The report also explores the broad range of issues to be considered in any future transition from analogue to digital radio. An overarching theme in the Committee's recommendation is the need for clarity for consumers. We agree that this is important. As the Government develops and implements its policies on a transition to digital radio we will seek to ensure that the needs of consumers are at the centre of our considerations. Where decisions are made we will work with the industry so that these are clearly and consistently communicated to consumers.
4. Government has carefully considered all the recommendations made by the Committee and this document represents its response.

Conclusions and recommendations

5. Recommendations at paragraphs **145**, **146** and **148** are directed at Digital UK, the not-for-profit company set up by broadcasters to implement TV switchover. Digital UK will be responding to the Committee directly on these points.

We recommend that the details of the Help Scheme's aftercare are communicated clearly by the Digital Switchover Help Scheme to relevant voluntary sector organisations as well as to Help Scheme beneficiaries. (para 82)

6. The Government and the Help Scheme agree that the Help Scheme's aftercare arrangements must be communicated effectively to voluntary sector organisations. The Help Scheme aftercare offer is communicated to customers in the Options Pack sent to all eligible customers around 6 months before Switchover, and reiterated by the installer at the point of installation. The Consumer Expert Group, made up of key consumer stakeholder organisations, are involved in agreeing content for each regional Options Pack.
7. Key voluntary sector organisations involved in assisting the delivery of the Scheme receive training on the Help Scheme offer, including on the aftercare service. The lead voluntary sector organisations involved in delivering the Scheme in each region are identified by Digital Outreach Limited (DOL). The training consists of workshops delivered by DOL and Help Scheme staff.
8. Help Scheme stakeholders receive a quarterly e-bulletin which makes clear the Help Scheme offer (including the 12 months of aftercare). The Help Scheme website www.helpscheme.co.uk explains the standard offer, including the 12 month aftercare service.

We strongly regret that the cost benefit analysis carried out by PricewaterhouseCoopers was not published at the time it was delivered to Ofcom and the Department for Culture Media and Sport in February 2009. (para 99)

9. The Cost Benefit Analysis produced by PricewaterhouseCoopers, to accompany the work of the Digital Radio Working Group, was widely distributed amongst broadcasters and consumer representatives. However, there were technical difficulties which prevented the initial publication of the report on the DCMS website; these were rectified and the report published in February 2010.

We recommend that the full impact assessment, including the cost benefit analysis of digital radio, be commissioned by the Government and carried out as soon as practicable and that the results be published. (para 100)

10. We agree that a full impact assessment is an essential part of informing the Government's decision on whether and when to move from a primarily analogue to a digital radio landscape. Work has already begun to collect the evidence needed to support an impact assessment and analysis should begin shortly.

Given the importance for the Government's plans for digital switchover of universal reception of the BBC's national stations, it is essential that a firm and unambiguous plan and funding for the completion of build-out of the BBC's national multiplex is put in place as soon as possible. (para 107)

11. In order to agree a plan for DAB coverage build-out, so that it can ultimately meet the current levels of FM coverage, Ofcom have been asked to form a Coverage and Spectrum Planning Group to make recommendation on the following:

- the current coverage of national and local radio on FM;
- changes to the current multiplex structure and frequency allocation; and
- what new infrastructure is needed so that DAB can match FM.

Ofcom are expected to present their recommendation to Government in Spring 2011.

While we acknowledge that the current financial problems of commercial radio make further build-out of the national commercial multiplex difficult at this time, we urge the Government to ensure that, in due course, it is extended in line with the Digital Radio Working Group's proposal. (para 108)

12. Coverage of the national commercial DAB multiplex already broadly matches the coverage of the national commercial service on FM, although it has been suggested that improvements need to be made to the quality of indoor reception and, where possible, overall coverage. However, the roll-out of the national commercial multiplex is ultimately a decision for the multiplex operator.

We recommend that, as a matter of urgency, the Government, the BBC and commercial radio agree a plan and allocation of funding responsibility for local multiplex build-out in order that local DAB coverage can be raised to 90 per cent. (para 111)

13. Once the Coverage and Spectrum Planning Group and the industry have agreed a plan for DAB coverage build-out, the Government, the BBC and commercial radio can agree the allocation of costs for the build-out. These discussions can begin once Ofcom has made its recommendation on the scale of the necessary build-out of DAB infrastructure in Spring 2011.

We recommend that the Government commissions and urgently publishes a report on the state of the FM network, what investment might be required to keep the network functioning and where any maintenance costs would fall. (para 112)

14. The Government recognises that a strong local and community radio tier is an important part of a healthy local media sector. It does not believe that future investment in maintaining infrastructure is a threat to the continued provision of these radio services on FM, therefore there is no need for such a report at this time.

We urge the Government to clarify its longer term policy on the use of FM and AM for radio broadcasting. (para 115)

15. In the event of a move to digital, a proportion of the FM frequency will need to be reserved for radio services, specifically small commercial and community radio services, which have no obvious route to digital. Therefore, we believe that the future for small local and community radio stations will be on analogue for the foreseeable future.

We recommend that the Government seeks assurances from the electronics industry on when a single electronic programme guide will be available. The Government should include these assurances in the advice it issues to consumers on digital switchover. (para 117)

16. The technology needed to provide an integrated radio station guide, similar to an Electronic Programme Guide, already exists. The Government recognises the benefits of such a guide to consumers and will work closely with manufacturers with the aim of encouraging the implementation and promotion of an integrated station guide in a wide range of radio receivers.

17. The Government believes that the industry could do more to make consumers aware of the benefits of digital radio. This will need to be addressed if take-up and listening to digital radio is to continue to grow.

We recommend that the Government should work with manufacturers to ensure that digital car radios are fitted with multi-standard chips as soon as possible and inform consumers of availability and benefits of digital radios containing the multi-standard chip. (para 120)

18. Work with manufacturers and the automotive industry to support the implementation of digital radio receivers in vehicles is ongoing and we will continue to encourage the implementation of digital radio as standard in all new vehicles. On the specific issue of implementing a multi-standard chip for in-vehicle radios, we note that the automotive industry operates in a pan-European market and there would be little benefit in vehicle manufacturers incorporating technologies which didn't work across Europe. We are therefore confident that manufacturers will willingly choose to implement multi-standard receivers in vehicles in the future.

We recommend that the Government, in collaboration with the manufacturers, should provide guidance to the public on in-car digital listening, including advice on conversion kits available and likely to be available within the timeframe of digital switchover. (para 122)

19. Government recognises the importance of clear and consistent guidance for consumers to help inform their future buying decisions; specifically when considering conversion of existing in-vehicle radios. We will continue to work with manufacturers and broadcasters to facilitate a comprehensive information campaign for listeners, which will be updated as the market develops.

We recommend that, as a matter of urgency, the Government should liaise with the vehicle manufacturers to provide clarity on how traffic reports will be provided to motorists with digital radios and built-in satellite navigation systems, thus allowing manufacturers to incorporate this into their vehicle development. (para 123)

20. Government acknowledges the importance of traffic and travel services to motorists and will continue to work closely with manufacturers to ensure the continuation of these services to both digital and analogue radio receivers.

The Government must ensure that advice goes to retailers and the public that when purchasing radios, consumers should purchase sets that include a digital tuner. This will prevent the problem getting worse. The Government should encourage the industry to devise a sensible scrappage scheme, recognising that the industry, manufacturers and retailers, will benefit heavily from the new sales generated by digital switchover. We recommend that the Government inform consumers as soon as possible as to how the Waste Electrical and Electronic Equipment (WEEE) regulations will operate for disposal of analogue radios. (para 126)

21. The Government recognises the need to ensure that retailers are able to provide reliable advice to consumers when purchasing a new radio, specifically the benefits of purchasing a digital radio. To this end we will be working with broadcasters and manufacturers to ensure retailers fully understand the Government's policies for digital radio.

22. The Government is committed to ensuring that the WEEE Directive is appropriately applied in any disposal of analogue radios. We have already begun work with the relevant Government Departments to assess current disposal practices for small electrical waste and to provide clear advice for consumers, manufacturers and retailers.

23. We note that the radio industry has launched a scrappage scheme in the lead-up to the football World Cup. This will provide a useful insight into the practicalities of running such a scheme and the issue of reconditioning and recycling old analogue devices.

We recommend that the Government should make clear to the public that DAB will remain the digital radio standard for Digital Radio Upgrade. (para 128)

At the same time, we recommend that the Government should set a date by which all new digital radios should contain the multi-standard chip, giving the UK the option of a subsequent move to a different standard. We also recommend that the cost benefit analysis, which the Government has undertaken to carry out, should include an analysis of the costs and benefits of a subsequent move to another standard. (para 129)

24. DAB listening represents the majority of all digital listening, 15% (RAJAR Q1 2010), and is likely to remain the technology of choice for broadcasters and listeners for the foreseeable future. There are no plans at this time to introduce DAB+, although we recognise there are benefits in ensuring receivers sold in the future would support any such change of technology.

25. The cost benefit analysis of a transition to digital radio will need to take account of all areas of the government's proposals, including, if appropriate, a possible future transition to DAB+.

We recommend an early and extensive information campaign to publicise the Government's digital radio policy, its rationale and its implications for listeners. (para 131)

26. The Government is working with Digital Radio UK to develop a clear and consistent communications plan to improve listeners' awareness of digital radio, the benefits of the technology and the services available.

We recommend that, as a matter of urgency, the Government, Digital Radio UK, representatives of the electrical manufacturing and retailing industries, and representatives of the vehicle manufacturing and retailing industries should agree advice to consumers about purchase of digital radio equipment. We also recommend the introduction of a "kitemarking" scheme for digital radios, to include information on power consumption. (para 132)

We recommend that the Government explains in a public communications campaign on digital radio that, while DAB radios will continue to operate for the foreseeable future, radios containing the multi-standard chip will provide insurance against a future change of digital standard and will also work on the continent of Europe. (para 133)

27. A kitemark scheme is an effective way of providing assurances to consumers about the quality of their devices. Clearly any kitemarking scheme would need to be underpinned by a clear set of receiver specifications and a conformance testing regime. We believe that this minimum receiver specification should include capability to receive both DAB and DAB+, to protect against a future change of technology. Work has already begun with manufacturers and the industry to agree a common set of specifications and the mechanisms for testing; once these are agreed and implemented, discussion on an appropriate labelling scheme can begin.

We recommend that the Government confirms as soon as possible that a help scheme with special focus on disadvantaged groups will be part of the Digital Radio Upgrade programme. In this case, funding should be raised through general taxation, not through the licence fee. (para 134)

28. A comprehensive impact assessment, including a cost benefit analysis, will be required before any date for a transition to digital can be set. The findings of the cost benefit analysis will help inform whether a Help Scheme to support a transition is necessary, what its purposes should be, how much it might cost and how to best publicise it.

We recommend that the Government and broadcasters consider how increased production and dissemination of digital radio content can be encouraged. (para 137)

29. Government agrees with the Committee's view that an increase of digital content will be a key driver to the take-up of digital radio. However, this is primarily a matter for the broadcasters themselves; although we believe that certainty about the future of digital radio will help broadcasters invest in new content with greater confidence.



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