



## Response to Consultation on Commercial Radio Deregulation May 2017

### 1. About the sector

- 1.1. The Radio Independents Group (RIG) is the trade body for the independent audio-led production sector, representing nearly 100 SMEs based around the UK. RIG provides business affairs support, policy representation, and negotiates terms of trade with the BBC. RIG also produces the annual Audio Production Awards<sup>1</sup>, which uniquely recognise and celebrate the production skills of radio and audio producers across the whole industry. It also runs the RIGtrain<sup>2</sup> skills and CPD programme. RIG is a member of the Creative Industries Federation, and a patron of the Radio Academy.
- 1.2. The radio/audio indie production sector is at an exciting time in its history, with the opportunity now to bid to compete for a greater amount of BBC radio content - up to a level of 60% of eligible BBC hours by 2022. On the assumption that 'indie' production companies can be expected to win a reasonable amount of these bids, this will in turn help to grow the sector.
- 1.3. Indies are also working with new platforms such as Audible, Panoply, Acast, and Audioboom. They also work with organisations such as the British Council, which funds *The Selector*, produced by Folded Wing and distributed internationally. These new markets, plus the growth in producing PSB content through the BBC, will allow the opportunity to grow further capacity to develop and produce content for all relevant markets.
- 1.4. While the commercial radio market for indie-produced content is also growing, it is still relatively small in terms of PSB content. Opportunities such as the Government's proposed new public service contestable fund<sup>3</sup> could, if widened to include radio, encourage greater innovation and experimentation in the commercial radio space, as the fund can replace advertising/sponsorship revenue around shows to which advertisers may not naturally be favourable.
- 1.5. But commercial radio could be encouraged to grow its indie-produced content even further, and therefore welcome this consultation and its aim of allowing commercial radio to be more competitive and sustainable. We believe that as an extension to the proposals described, there should be a greater freedom to provide different types of PSB content in return for the right to operate a commercial radio licence.
- 1.6. Please note we have focussed on Questions 1-11 as these are the most relevant to our sector.

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<sup>1</sup> <http://www.audioproductionawards.co.uk/>

<sup>2</sup> <http://www.rigtrain.co.uk>

<sup>3</sup> To read RIG's response to the consultation on the public service contestable fund go to [http://www.radioindies.org/images/public\\_affairs/rig\\_contestable\\_fund\\_response\\_final.pdf](http://www.radioindies.org/images/public_affairs/rig_contestable_fund_response_final.pdf)

## 2. Answers to 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?***

- 2.1. RIG agrees that there is a wide proliferation of services on FM, DAB and online, and that audiences do not necessarily distinguish between these, due to the widespread increase in audio listening on a range of devices. In the event of a reduction in Ofcom's current broad responsibilities, any commercial radio network will continue to need a clear listener proposition and unique identity to survive in a busy market, and in that sense it should prove to be self-regulating in terms of the quality and diversity of the services available.
- 2.2. Nevertheless plurality of voice is important and so we would not like to see any diluting of media ownership rules in respect of commercial radio.

***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?***

- 2.3. In respect of RTÉ radio we recognise the current difficulties, as described in the consultation document. Some of our members operate both in the Republic of Ireland and in the UK, and in these particular circumstances it would be a welcome step to have RTÉ services on UK DAB networks.
- 2.4. However we are strongly in favour of our radio services remaining essentially UK-indigenous and therefore would not welcome any further broadening out of licensing to other countries. It is very important that UK producers and talent have the opportunity to present as many UK ideas, voices, perspectives and talent to the audience as possible. Anyone wishing to access overseas networks can do so online to a large extent and we do not see it as necessary for them to be able to access UK DAB networks, as this may prevent UK-based networks, producing their content within Britain, from being able to do so.

### 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)?***

- 2.5. RIG agrees that the current format restrictions remain fit for purpose at this time.

## 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.*

2.6. Similarly to the argument made in paragraph 2.1 above, we believe the market will regulate in terms of there being a wide choice of services available wherever there is some demand. For example we have seen the emergence of niche stations such as the childrens' station Fun Kids and or the country music station Chris Country, neither of which are the result of any regulatory intervention.

## 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?*

- 2.7. We note the proposal in the consultation 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', and that Ofcom should be able to tailor requirements based on the size and demographic of the audience. RIG certainly supports greater flexibility in terms of the content a particular station should be required to provide, but we believe there is a greater opportunity to consider whether other forms of PSB content are more relevant to some services.
- 2.8. Whilst it is important that the public can access high-quality news on the radio, we question whether the requirement to provide regular **national** news is one which that needs to apply uniformly to every commercial radio service, given that people's ability to access news is readily available via a range of services. We would like to see a greater flexibility in simply having a requirement for *PSB content* to be provided, which can include news if it fits the station's profile.
- 2.9. Taking specialist networks such as Classic FM for example, they have a unique sound which is chosen by audiences to suit particular moods and tastes. It could be argued that having hourly news bulletins, when added to the time necessarily given to advertising slots, creates regular and discordant breaks in their service and in effect undermines their proposition more than a service such as a contemporary talk radio show.
- 2.10. Classic FM already features regular potted histories of composers during its schedules, spoken-word content which inform, educate and entertain its audience - i.e. content which has the attributes of PSB - and it would be interesting for the Government to allow greater moves towards this type of content by freeing up the time currently devoted to hourly news bulletins.

This could amount to at least 30 minutes of time per day, or 3.5 hours per week, which, could be used in any way the station wished, i.e. in 30-second 'moments' or in specific longer formats. To ensure reasonable audience exposure this should be spread across the schedule rather than, for example, confined to overnight broadcast. It can also be promoted elsewhere, for example on the commercial stations' online platform.

- 2.11. The document rightly looks forward to a time when digital switchover will require a standardisation of the regulatory measures required. This consultation process can take further steps towards achieving that aim by introducing now a greater and recognised flexibility for there to be PSB content which is not necessarily news.
- 2.12. Producing this type of content is one of our members' particular lines of expertise and greater flexibility around the required PSB content would therefore create the opportunity for greater collaboration between the commercial radio sector and the indie production sector.

***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?***

- 2.13. Clearly any loosening of requirements for local services would allow them to operate in a way that concentrated purely on the type of service their audiences wanted. Local news, as the consultation document says, is highly valued and important and therefore the assumption can safely be that this would continue. However as we argue above a removal of the obligation to carry **national** news could allow those stations to dedicate more time to locally relevant PSB-style content.

***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?***

- 2.14. With reference to our reply to Question 5, we believe any enhanced requirements should be based on a wider definition of the content to be provided, in terms of it being PSB content rather than simply national news. Taking Wales as an example, that nation has a strong indigenous production sector which produces radio content for BBC both in English and Welsh, as well as a range of media content for other suppliers, including commercial TV and online.
- 2.15. A requirement for 30 minutes per-day or 3.5 hrs per week of PSB content of direct relevance to the audience would be a significant boost to diversity of voice and again provide new opportunities for the creative production sector to work with commercial radio.

## 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?*

- 2.16. We would refer to our answer to Question 5 and argue that this would be a real opportunity to encourage commercial radio to feature in its services a wider range of PSB content which did not necessarily entail standard news coverage. So to extend the suggested proposal in Option (a), we would like to see stations required to PSB content which was distinctive. This would be a good way to create an environment of creativity and new opportunities for people with original ideas and talent to bring to those networks.
- 2.17. The indie sector is working hard to increase diversity - for example RIGtrain learners are comprised of 60% women, 15% BAME and around 5% disabled, as well as a healthy range of ages. Greater flexibility around PSB content will provide more opportunities for a range of voices to create content for local as well a national networks.
- 2.18. Providing guaranteed carriage for stations providing a certain amount of local news plus some locally-relevant distinctive PSB content (in return for no obligation to carry national news) could work for local radio stations.

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

- 2.19. Greater flexibility for these services can enable them to serve local audiences according to their needs and tastes. Again, given audiences' keenness to have local news this would surely be required to be delivered by local commercial radio stations in order to maintain their competitive edge. As long as the BBC is operating local services there would be at least two news sources and we believe these would provide the necessary competition and plurality.
- 2.20. It is also worth noting that 'plurality' is often taken to mean there being more than one service, but any single station or network can provide plurality, in terms of providing within their output a range of approaches to news and current affairs coverage. Independent producers can again be a useful resource in this regard, and some of our members already work with both BBC and commercial local radio networks to provide content.

## 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.*

2.21. We understand the economic difficulty of commercial stations basing significant resource in a variety of locations which they serve. When the mainly local aspect is news and information, these requirements should be slimmed down, however the quid quo pro could be in the form of a requirement for 30 minutes of locally relevant PSB-style content on a daily basis that would still mean there was a local aspect to these services beyond just news. There could be a stipulation that this was provided by a locally-based independent producer to ensure a plurality of voice and range of content provide across the week and indeed over the course of each year.

*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.*

2.22. It is important for each nations-based service to adequately reflect its local area and a greater use of independent producers to make PSB-style content from around each nation is a good way of doing so. We believe that our recommendation for local radio in Question 10 above should be extended to nations stations, although it is not clear that any further requirements are needed other than a preference to use local talent and producers.

[www.radioindies.org](http://www.radioindies.org)