

RADIOCENTRE BRIEFING: REGULATION REVIEW

ABOUT COMMERCIAL RADIO

There are 340 licensed commercial radio stations in the UK, twice as many as 20 years ago. It is a highly competitive market, generating over £592m in revenues each year. 35 million people (65% of the UK population) listen to commercial radio's mix of music, news, travel and local information every week.

The sector is made up of a diverse mix of national, regional and local radio stations serving different audiences in different ways.

WHAT WE ARE SEEKING

- A legislative framework that enable greater flexibility on how and where content is produced.
- A dialogue with Government and Ofcom on how to support local news for the future.
- Sensible consumer friendly regulation for financial products, to prevent garbled on-air caveats that annoy listeners and turn off advertisers

COMMERCIAL RADIO REGULATION

- Current legislation was devised in a pre-internet age to help ensure choice and diversity of content on FM/ AM radio stations. But the world has moved on and listeners are now able to access a range of content on air and online that was inconceivable a few years ago.
- Different regulatory requirements also apply to radio stations broadcasting on analogue stations (FM/ AM) as opposed to those broadcasting on digital radio (now 44% of listening).
- Radio needs to remain competitive to support its investment in talent, music, journalism and news plurality. Both Government and Ofcom have acknowledged that there is a case for the legislation to be reformed. In February 2016 Ofcom submitted a [report](#) to DCMS outlining potential changes.
 - **Music formats** – Ofcom places conditions on each local radio station to determine the music they play. However it concluded that 'there is scope for significant deregulation' in this area.
 - **Local content/ news** – Legislation requires Ofcom to ensure appropriate local news and other local content (travel, weather) on FM/ AM stations. Ofcom suggests it would be 'preferable to retain' a requirement for local news, but regulation of other local content is unnecessary.
 - **Locally-made content** – Legislation requires a 'suitable proportion' of locally-made content. As a result Ofcom requires seven-hours a day of local production at peak times. However Ofcom found that where a programme is made is 'less concern to listeners than their quality and local relevance' so there is scope for relaxing these rules (with an exception for the Nations).
- Ofcom also highlighted that digital radio (DAB) services currently have no requirements to provide any news and information, but that this should be reviewed once digital accounts for the majority of radio listening. The radio industry supports the Ofcom report and wants to work with Government to find ways to protect news and information for the future. We understand that DCMS is planning to consult on these issues during summer 2016 and would welcome widespread support for reform.
- Government has also agreed to work with the industry to identify ways of improving **advertising regulation**. The sort of 'fast talking' terms and conditions required in some radio ads are annoying for listeners and ineffective as consumer protection. RadioCentre is asking the UK Government and European authorities to support a new approach in this area based on shorter, simpler messages with further detail provided online.