

## RADIOCENTRE RESPONSE TO OFCOM CONSULTATION SMALL SCREEN: BIG DEBATE - THE FUTURE OF PUBLIC SERVICE MEDIA

### OVERVIEW

1. **Radio is a crucial element of our public service broadcasting (PSB) system.** The range and quality of radio services available to audiences in the UK is among the best in the world. It provides plurality of news, as well as an unrivalled choice of music and entertainment output for huge audiences across the country. This has helped radio remain incredibly resilient and successful, with around 90% of the UK population listening to the radio every week.
2. **This success has been built on a combination of innovation and investment from the private and public sector,** with commercial radio competing with the BBC's radio and audio services. Therefore, in a broad sense the success of PSB in radio has been underpinned by a similar range of factors and policy interventions as those used to develop and sustain PSB in television. However, the scale and balance of these interventions has been at a different level in radio, with the BBC having a market share of around 50% and significant advantages in distribution, funding and marketing. This means that robust regulation aimed at driving distinctiveness and limiting market impact of the BBC is particularly important for the future of whole radio sector.
3. **A number of the factors and challenges outlined by Ofcom in its consultation in relation to the future of public service television also apply in some way to radio.** However, unfortunately the focus of this consultation process and even its title (*Small Screen: Big Debate*) mean that these issues related to non-visual media are not explored in any great detail. Instead Ofcom focuses almost exclusively on matters relating to television and audiovisual, while highlighting the work being carried as part of the current Government review of Digital Radio and Audio.
4. **It would be a missed opportunity if Ofcom failed to consider radio as part of its own work on the future of public service media,** alongside its input to the Government review looking specifically at the future of radio and audio. As we have sought to outline in this submission, there are significant parallels between PSB television and radio both in terms of its value to audiences, impact of technology, possible regulatory response and future sustainability. Therefore, we would hope that any advice or recommendations provided by Ofcom on the future of public service media are based on a consistent set of principles and also able to address the issues facing radio and audio.
5. While we have not addressed each individual consultation question directly, we have structured our response around the key elements and sections of Ofcom's analysis.
  - **Public service role of commercial radio** – the crucial role played by commercial radio stations in providing a broad range of public service content and its value for listeners, particularly during difficult times and during emergencies.
  - **Impact of technology and competition** – developments in technology that are shaping the future of radio, creating new opportunities but also providing greater competition for audiences and revenue.
  - **Proposals to support PSB in radio and audio** – Ofcom and Government should seek to support a successful PSB radio and audio sector, with a particular focus on measures designed to

underpin the availability, prominence and access to radio services that are licensed and regulated in the UK (including BBC, commercial radio and community radio).

- **Securing future sustainability of PSB radio** – areas of collaboration or regulatory reform that could help support the sustainability of public service radio in future.
- **Opportunities for the longer term** – ensuring the right balance between public sector intervention from the BBC alongside commercial providers by ensuring a sufficiently robust system of external regulation, as well as developing new models of PSB to complement this valuable output.

## BACKGROUND: THE PUBLIC SERVICE ROLE OF COMMERCIAL RADIO

6. Commercial radio plays a critically important role in the distribution of public service content in the UK. Alongside the BBC's radio services, it provides choice and plurality of news, music and entertainment to huge audiences across the country. 36 million people (around 66% of the population) tune in to commercial radio for an average of 13 hours each week.
7. The public value benefit of commercial radio is vast, including national and local news bulletins, community and social action, music, technology and innovation. Radio is consistently ranked as the most trusted source of news and information available to audiences in the UK<sup>1</sup> and Europe<sup>2</sup>. A recent survey of listeners<sup>3</sup> found that 77% see radio as a trusted source of national news, more than any other media, with social media the least trusted. The same report also found that commercial radio plays a particularly strong role in providing reliable news and information to audiences that are much less likely to access news on other media. This includes more than 12 million people for whom radio is their principle source of news updates at key points throughout the day and during emergencies.
8. Commercial radio stations in the UK provide an extensive range of public value content for all audiences. On average each station provides around 10 hours of public value output, made up of news and sport, travel, weather, local events and charity appeals a week. Collectively, radio stations also organise and attend over 10,000 local and charity events a year and directly raise over £30m for charity.
9. Commercial radio is funded almost entirely by advertising and operates in a highly competitive market, generating £703 million in ad revenues in 2019<sup>4</sup>. It also supports £683m in gross value added to the UK economy and over 12,000 jobs. Its advertiser-funded model enables it to provide content for audiences that is high-quality and free at the point of use.
10. Radio advertising spend provides a substantial boost to the UK economy and businesses. Part of this boost is through the return on investment (ROI) that advertisers enjoy as a direct result of investing in the medium. Previous research<sup>5</sup> has found that radio provides an average return on investment for advertisers of £7.70 for every £1 they spend. Applying this to advertising revenues for the entire industry means that the total ROI over £5.2bn. Of this total the estimated annual

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<sup>1</sup> Ofcom survey '[News consumption in the UK](#)' (June 2017)

<sup>2</sup> European Commission ([Eurobarometer](#) 92, 2019)

<sup>3</sup> [Beyond the Bubble](#) (RadioCentre, Dec 2020)

<sup>4</sup> <https://www.radiocentre.org/the-audio-market/ad-revenues-and-forecasts/>

<sup>5</sup> <https://www.radiocentre.org/roi-multiplier/>

value for local advertisers alone was over £1.6bn, underscoring the benefits of local radio advertising around the country<sup>6</sup>. These results are particularly important for SMEs looking to invest in advertising.

11. The diversity of the commercial radio audience is also notable, particularly when compared to the UK radio industry overall. For example, the sector reaches 62% of black, Asian and minority ethnic (BAME) listeners, compared to a 42% reach by BBC services. It also reaches 67% of listeners considered to be in a lower socio-economic classification (C2DE), with only 52% reached by the BBC. A 2019 *Tuning in to Diversity* report<sup>7</sup> provides examples of work by small specialist stations like Panjab Radio, Mi-Soul, London Greek Radio, Sabras Radio and Sunrise Radio in their local community and a snapshot of the diversity of these stations. Unsurprisingly, it found that these stations have some of the highest levels of workforce diversity within the industry, with many reporting ethnic diversity well above 90%.
12. The public value of commercial radio is perhaps best encapsulated during times of emergency. At these crucial times commercial stations are extremely well placed to provide listeners with up-to-the-minute coverage of both local and national emergencies. Major incidents trigger well-rehearsed plans that enable stations to alter programming and get journalists on the ground to provide audiences with trusted, accurate information. Covering breaking news always requires a tailored response. For those on the move, the latest travel bulletins are essential for keeping journey times down and during major weather events local updates provide vital information to listeners. There are numerous examples of incredible responses that radio stations have provided to recent significant events, including terror attacks, national weather emergencies, and more recently COVID-19.
13. Research suggests that more and more people are turning to trusted news and entertainment during lockdown. A recent survey from research company DRG for RadioCentre found that a significant proportion (34%) of listeners are listening for an extra 1hr 53 minutes per week on average<sup>8</sup>. According to the DRG research, the reasons people give for listening longer to the radio as they spend more time at home are unsurprising and include the following: – Keeps me in touch with the outside world (90%) – Keeps me informed (89%) – Keeps me company (84%) – Makes me feel happy (77%) – Delivers trusted news (64%).
14. It is clear from this that, even in these very difficult times, commercial radio retains very strong foundations with a large and loyal audience that recognises the value of its output more than ever. Research from the Reuters Institute in 2020<sup>9</sup> highlighted the low levels of news avoidance for radio during the coronavirus pandemic, when compared to news on TV, newspaper brands and social media. The challenge for the commercial radio sector, working with Government and Ofcom, has been to ensure that as many stations as possible can remain viable and continue to provide this value in the face of unprecedented economic challenges.
15. Despite the very difficult circumstances over the past year, commercial radio is providing significant value for audiences and has stepped up the frequency and duration of news coverage across the vast majority of stations and networks. This has meant additional news coverage and regularly refreshed bulletins 24 hours a day every day, as well as special coverage of Government

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<sup>6</sup> <https://www.radiocentre.org/wp-content/uploads/2018/12/Valuing-Radio.pdf>

<sup>7</sup> <https://www.radiocentre.org/wp-content/uploads/2019/06/Tuning-In-to-Diversity-Online.pdf>

<sup>8</sup> <https://www.radiocentre.org/radio-listening-surges-during-november-lockdown/>

<sup>9</sup> <https://reutersinstitute.politics.ox.ac.uk/news-avoidance-uk-remains-high-lockdown-restrictions-are-eased>

daily news briefings and breaking news flashes. In fact, as a result of COVID-19 many of the most popular commercial radio brands increased the number and duration of their daily bulletins in the initial national lockdown – broadcasting 25% more bulletins for 28% longer. Commercial radio also continues to provide a valuable regional or local angle on COVID-19, most notably by tracking the impact of the virus in specific communities, nations and regions of the UK. This has been especially notable as the authorities in England, Scotland, Wales and Northern Ireland have all adopted different measures at different times.

## TECHNOLOGY AND COMPETITION DRIVING THE NEED FOR CHANGE

16. Many of the trends highlighted by Ofcom, regarding the impact of technology and competition on television and audiovisual content, are also evident in the radio and audio sector. In particular, there are economic pressures from large online platforms that threaten the delivery of public service content supported by advertising. There are also parallel developments in audience behaviour and content distribution that present risks, which could undermine future availability, prominence and access of public service content on radio.
17. In common with many other areas of media and public service broadcasting, the growth of the internet has transformed the world in which radio companies operate, creating a huge range of new opportunities while presenting numerous complex challenges. In particular, there has been a significant shift in advertising revenues to online platforms. In the last 20 years digital advertising has grown from around 1% to a more than 50% share of UK ad revenue, with Google and Facebook becoming the dominant players.
18. This transition of ad-spend to online is the most significant economic trend that has put pressure on revenues across all media. These changes have seen radio's share of ad revenue decline since the early 2000s. The digital advertising market does not appear to be functioning in a fair and effective manner. Therefore Radiocentre welcomed the Competition and Markets Authority (CMA) investigation into the digital advertising market in 2020<sup>10</sup> and the establishment of a new competition regime and Digital Markets Unit as a means to address the considerable market power of the online platforms.
19. In addition, competition for audiences has never been more intense due to the range of entertainment options now available. Online services like Spotify and Apple Music – which are not subject to any significant form of content regulation – are starting to account for an increasing proportion of overall listening time (particularly among younger audiences). The last available RAJAR MIDAS survey found that on-demand music services now account for 14% of the share of audio listening on average, rising to 44% for those in the 15-24 year old age group. While this fragmentation has had limited impact on total audience, average time spent listening to radio overall has reduced from 22.5 hours per week in 2008 to 20.2 hours in 2020. Listening habits have been particularly effected by the growth of digital listening on DAB and online platforms like smart speakers, as well as greater competition for listeners from podcasts and music streaming services dominated by US tech giants such as Amazon and Google.
20. While online radio listening still represents a minority of overall listening time (c.14%) it is now the fastest growing platform and is becoming increasingly important. Online audio devices have become mainstream and the adoption of smart speakers in the UK has been particularly rapid and

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<sup>10</sup> <https://www.radiocentre.org/wp-content/uploads/2020/02/RC-response-to-CMA-online-platforms-study-Feb-2020-FINAL.pdf>

extensive since their launch in 2016. Around 29% of households were estimated to own one of these devices in 2020, driven by their relatively low cost and voice control functionality<sup>11</sup>.

21. Radio listening is consistently found to be one of the most popular uses on smart speakers, therefore this constitutes a significant opportunity for commercial radio. However, it also has the potential to be a significant threat if one of the most important routes to market for radio is effectively owned and controlled by the US tech companies who will be able to act as 'gatekeepers' to radio content and custodians of valuable audience data. This is in stark contrast to the traditional broadcast model for radio where access to listeners is not mediated by a third-party, but managed by regulators that allocate broadcast licences and distributed on transmitters owned or leased by the broadcaster.
22. Due to this shift there is a risk that digital platforms could exploit their market power in this context, particularly regarding opportunities in digital audio advertising on smart speakers. In addition, it is likely to create greater opportunity for the sort of disaggregation of content that has been so damaging to news publishers. These changes alone have the potential to impact negatively on consumers, but there are also associated risks to provision of easy and free access to PSB radio content. For radio businesses to remain viable in this new environment their output needs to be available for free on all platforms and findable by listeners.
23. A similar set of challenges is also facing radio on other online devices and in vehicles, where radio listening has traditionally been strong but now a growing number of in-car entertainment systems are internet connected. Without further action, both from industry and regulators, this creates a further risk of PSB radio being de-prioritised and intermediated by powerful gatekeepers.

## **PROPOSALS TO SUPPORT PUBLIC SERVICE RADIO AND AUDIO**

24. Against the backdrop of changes in technology and competition, Ofcom outlines four central features for a successful public service media system. Once again these are focused primarily on television rather than radio or audio, but several will have significant read-across to public service media of all types. According to Ofcom these key features are as follows:
  - a broad range of content that meets the needs and interests of diverse audiences
  - content that is widely available, and which audiences can find easily
  - companies with scale to compete and reach audiences
  - financial stability to allow for innovation
25. Bearing in mind the trends highlighted in the previous section, we would propose particular focus from Ofcom (and Government) on the future availability, prominence and access to public service content on radio. By addressing these areas it should become possible to sustain the other key features (regarding range and diversity of content, scale and reach, and financial stability). Conversely, if PSB radio content is not accessible and supported on online platforms, then the other features and benefits are more likely to fall away to the detriment of consumers.
26. Radiocentre commissioned the consultancy MTM to undertake an analysis of the smart speaker market and develop a framework that defines the most important considerations for the radio industry's relationship with smart speakers and smart speaker manufacturers. These considerations fall into three themes: availability, prominence and access to listeners.

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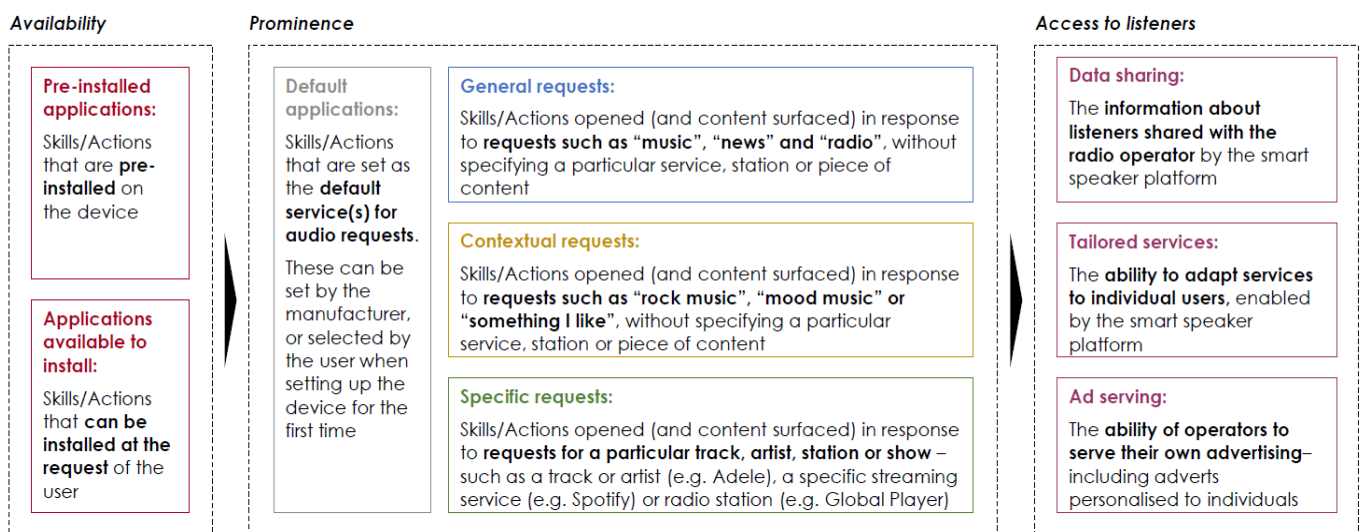
<sup>11</sup> <https://mobilemarketingmagazine.com/uk-smart-speaker-ownership-2020-gfk-techuk>

27. In reference to Ofcom's consultation, Radiocentre would like to highlight discussion points against each of these themes:

- **Availability** addresses the crucial question of whether radio is (or can be) made available on connected devices in the first place and if this requires additional actions or involves any obstacles. Tackling this question ensures full range of choice of PSB radio for listeners and provides the opportunity for discoverability.
- **Prominence** considers the nature of steps required to reach radio content versus other content. This highlights the need to ensure PSB radio content is easy to find and not obstructed or downgraded (whether deliberately or simply due to the volume of content or technical capacity of a device)
- **Access to listeners** is also fundamental, as it deals with the crucial question of access to audience and advertising data, as well as ensuring a continuation of the free and unfettered communication of PSB radio content to audiences.

28. This high-level framework does not necessarily provide an exhaustive list of all the factors associated with the growth of online platforms and voice-controlled smart speakers. However, Radiocentre has used this framework to consider appropriate policy responses to emerging trends, issues and risks to the radio industry. A summary of this framework is provided below.

#### Availability, prominence and access considerations



Source: MTM analysis for Radiocentre

29. Given the considerations provided in MTM's framework, Radiocentre believes it would be in the interests of listeners, the UK radio industry and ultimately the online platforms, if a set of principles and regulations could be agreed with the intention of securing the future of PSB radio as a whole. By this we are referring to the services provided by any Ofcom licensed radio broadcast service (BBC, commercial or community radio), which by definition provide public value and comply with regulatory various requirements as well as the Ofcom Broadcasting Code

30. Some of the issues related to the future of these services are already being considered as part of the Government review of Digital Radio and Audio (and in Europe as part of the Digital Services Act/ Digital Markets Act proposals). Each of these measures would require careful consideration and could only be implemented in partnership with the relevant stakeholders. However, it should be possible to provide a balance between the need to ensure that the platforms can continue to

grow and develop, while making sure that PSB radio listening is given the security and support that it requires.

31. An example of the sort of interventions that could be considered by Government and Ofcom is provided below for illustrative purposes.
- **Requirements on platforms to carry PSB radio services (must-carry) without charge** – regulations to make clear that platform operators should not be able to limit or restrict access to services or charge for carriage
  - **Requirements to ensure due prominence and discoverability of PSB radio services** – commitments from the platforms to ensure PSB radio is easy to find, in a reasonable position on electronic programme guides (where these exist) and not unduly prevented from being accessed
  - **Protection of the integrity of content** – regulations to clarify that platforms cannot insert or oversell sponsorship or advertising around PSB radio content without the express consent of the provider
  - **Assurances on routes of distribution** – support for the ability of audio content providers to mandate how platforms manage their audio streams to ensure that instructions from listeners to hear a radio service comes via the content providers’ own skill or through the aggregation service designated by the PSB radio provider
  - **Data sharing** – support for platforms and providers to agree a cross industry agreement on the sharing of data on listening and consent mechanisms - based on an agreed minimum level of data about the use of services on smart speaker platforms

## SECURING FUTURE SUSTAINABILITY OF PSB RADIO

### Strategic partnerships

32. As noted above, much of the innovation in radio and audio has been driven by the expansion of digital technologies. This has brought opportunities and innovation as radio stations seek to provide a greater range of content and choice for audiences. It has also presented challenges as audiences fragment due to intense competition and advertising investment is driven online. The radio sector has sought to address these issues in a number of ways, including through collaboration on technology and exploring new partnerships to support news and public service broadcasting more generally.
33. Collaboration on technology and platforms makes sense given that the whole of the public service broadcasting radio industry (BBC and commercial) face similar challenges and trends in audience behaviour. The drive towards a greater proportion of radio listening being online, through mobile phones, smart speakers and other internet enabled devices has highlighted numerous areas of common concern. The whole of the UK radio and audio industry is seeking to address these issues as part of the Government review of Digital Radio and Audio.
34. Alongside this work radio companies will also seek to innovate and develop their offer to consumers and advertisers. Consequently, radio companies will wish to develop their own apps and online portals. However, there is also a value in radio broadcasters working together in this environment to keep radio listening simple and accessible for listeners.
35. One way that the sector has been seeking to do this is through the Radioplayer online listening platform, a joint venture between the BBC and commercial radio bringing together online radio listening and providing the opportunity for broadcasters to work together. This technology and

joint approach has been exported and is now used in 14 countries, including the all major markets in Europe. This is important because as online listening and platforms continue to grow, so will the need for the radio industry to be able speak with one voice, especially with car companies, hardware manufacturers and technology platforms.

### **Future regulation of commercial radio**

36. Despite being a relatively small sector commercial radio has traditionally been subject to significant levels of regulation. Much of this regulation – on production quotas, formats and music output – was designed to support PSB content in a time when broadcast spectrum was scarce and consumer choice was limited.
37. However, digital technology has transformed Britain’s public service broadcasting framework since that time. These changes are exciting, but as we have noted they also present huge challenges for media companies and their regulators. Competition for advertising revenues is intense with online platforms attracting ever greater investment, while audiences have fragmented due to the unprecedented choice now on offer. The regulation of commercial radio has not kept pace with these changes and until recently has remained largely locked into analogue-age system devised in the late 1980s. Further regulatory reform is vital so that radio stations can fully embrace technological change and invest in programming, journalism, public service content and new digital services.
38. The Government’s response to the DCMS consultation on commercial radio deregulation (published in December 2017) outlined a number of sensible changes to help support radio’s digital future<sup>12</sup>. This included proposals to end the outdated format requirements (where Ofcom determines the music output of local radio stations and operators are required to seek permission to make changes) and a focus on valuable news output rather than how and where this is produced. Such changes are relatively modest compared to the task of regulating online platforms, but they represent useful accompanying measures that will assist in supporting a more level playing field in terms of future regulation. Therefore we are calling on Government to implement the remaining elements of its 2017 proposals on commercial radio deregulation.
39. In parallel, Ofcom has modernised its regulatory requirements on commercial radio. This has enabled commercial radio groups to innovate and deliver content in new and exciting ways, providing the best possible mix of national, regional and local output for audiences across their networks. This has proved popular with listeners and underpinned the capacity of radio stations to compete more effectively with the BBC and online streaming services, while continuing to provide valuable news and information output (as demonstrated by the sector’s response to COVID-19 and its continuing public value role). Indeed, as commercial radio has evolved in this way the level of investment in local news and journalism has increased.
40. For radio businesses to remain a viable part of the public service broadcasting sector in this new environment their output needs to continue to be supported and regulated appropriately. During the coronavirus crisis over the past year, Ofcom has further relaxed regulation (so-called ‘regulatory forbearance’) in order to allow public service broadcasters like commercial radio to survive and prioritise high quality news output. Radiocentre welcomed this move and would urge Ofcom to consider extending these arrangements until the new legislative framework is in place, rather than reverting to the previous requirements on formats and output (which will not have

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<sup>12</sup> DCMS consultation ‘[Commercial radio deregulation response](#)’ (December 2017)



been in force for 15 months at the end of June and even longer if the forbearance is extended again, with no tangible detriment to listeners).

41. There are also a number of other possible regulatory changes that would help to support the long-term viability of commercial radio, including steps to revise the current requirements for long and garbled terms and conditions (Ts&Cs) at the end of radio ads. These disclaimers are particularly intrusive in an audio environment, but crucially are found to be ineffective as a form of consumer protection. They are also estimated to cost the radio industry around £120m a year in lost advertising. Many of these requirements derive from European legislation (e.g. the Consumer Credit Directive), so there should be an opportunity to revisit these requirements and simplify them now the initial Brexit process is complete.

## **OTHER OPPORTUNITIES FOR THE LONGER TERM**

### **Regulating BBC Radio**

42. The BBC remains the dominant force in radio and audio in the UK. It continues to have a market share of around 50% (more than double that of its nearest competitor), a significant funding advantage, preferential access to broadcast spectrum and huge marketing and cross promotion power across TV, radio and online. The BBC currently receives around £3.5bn pa of licence fee funding to support its operations, to be increased by inflation over the next year ahead of a new funding settlement. According to Ofcom the BBC spends over £740m of this funding on UK radio services, more than the total revenues of the entire commercial radio sector.
43. Given this background – and the continued development and expansion of BBC radio and audio services – we believe that it is crucial for the long term viability of the PSB framework in UK radio to ensure that the BBC’s role and remit is clear, with appropriate levels of external regulation and scrutiny. Commercial radio has traditionally supported universal funding for the BBC for it to deliver distinct, public service radio content. We have not supported privatisation of BBC radio and there is currently no viable subscription model for radio in the UK. However, due to its funding model and powerful position in UK broadcasting, it is right that the BBC is subject to independent regulation, as well as specific obligations on distinctiveness and market impact.
44. In 2016 Radiocentre welcomed the new obligations on the BBC in exchange for guaranteed licence fee income, with Ofcom taking on the role of external regulator. Specifically, the Charter and Framework Agreement stated that Ofcom “must seek to increase the current requirements on the BBC as a whole to secure the provision of more distinctive output and services”<sup>13</sup>.
45. The Charter and Framework Agreement included specific guidance on what will be expected of BBC services in future. The clear direction to Ofcom when creating the BBC operating framework was to: increase the current range of regulatory requirements and have a presumption against the removal of existing requirements. For radio this included specific measure to re-enforce the distinctiveness of Radio 1 and Radio 2. Despite this guidance, Ofcom has overseen a reduction in the obligations on BBC radio services and the BBC has sought to entrench its market dominance by outlining plans for new radio services and expanding its range of online services on the BBC Sounds platform (which is not currently subject to requirements under the BBC Operating Licence).

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<sup>13</sup> BBC [Framework Agreement](#), Schedule 2, Section 2

46. Therefore, it is surprising and perhaps counter-intuitive for Ofcom to be proposing measures as part of this review (and in a recent speech<sup>14</sup>) that would appear to pave the way for fewer requirements on BBC services and less accountability. This is not only counter to the guidance provided by Government and approved by Parliament, but would also undermine Ofcom's ability to measure and assess the delivery of the BBC's public purposes in any meaningful way. Moreover, if Ofcom believes that there is a case to modernise BBC regulation and the operating framework to support distinctiveness and the future of PSB, it would be much more appropriate for Government to have the opportunity to examine these issues in further detail as part of the mid-term review of the BBC Charter.

#### **Alternative models for supporting PSB radio**

47. We expect commercial radio to continue to be funded almost exclusively by advertising in future, with an increasing proportion of revenue being generated through digital advertising platforms and programmatic advertising which enables greater targeting and addressability, so it can be sold at a premium.
48. Nevertheless, it is worth noting that there are other models for funding PSB content on commercial radio that have emerged in recent years, which have been successful and are worth further consideration and development. In particular, commercial radio has been involved in the development of a 3-year contestable fund pilot scheme for radio, known as the Audio Content Fund (ACF), financed by DCMS using unallocated licence fee funding. This fund is responsible for distributing a relatively small grant of up to £3 million to independent production companies to produce distinctive, public service radio content for broadcast on commercial and community radio. The aim of the fund is to support high-quality, public service programming that is traditionally more difficult to support on a commercial basis (such as documentaries, comedy, drama).
49. Since its launch in April 2019 the ACF has distributed over £2m to companies across the UK for a range of projects on radio stations of all sizes. This has included an additional £400k for 28 new projects during April and May 2020 as part of a special coronavirus initiative. A further £300k was provided in December 2020 in addition to its core funding, to support content dealing with loneliness.
50. Based on its strong performance and public value so far (for a relatively small investment) our view is that the ACF should continue to be supported beyond the pilot phase, with significantly greater levels of funding and ambition. This successful pilot also opens up further questions regarding the potential for the development of similar schemes of a larger scale, which could also be used to distribute public funding to support investment in a broad range of public service content that may be difficult to support commercially. In particular, it is worth exploring the potential for more arm's-length Government funding specifically for news and journalism on radio and audio platforms.

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<sup>14</sup> <https://www.thetimes.co.uk/article/bbcs-arts-and-religion-shows-at-risk-in-plan-to-loosen-strict-quotas-pl6lrmvq7>

## **ABOUT RADIOCENTRE**

Radiocentre is the industry body for commercial radio. We work on behalf of more than 50 stakeholders who represent over 90% of commercial radio in terms of listening and revenue.

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

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