

RADIOCENTRE RESPONSE TO BBC RADIO CYMRU 2 PUBLIC INTEREST TEST CONSULTATION (AUGUST 2023)

SUMMARY

Radiocentre welcomes this opportunity to input into the BBC Public Interest Test (PIT) consultation on the proposed extension of Radio Cymru 2. This is the first time that there has been a PIT for a new radio service from the BBC and marks a positive step in providing more open and transparent engagement with the commercial sector.

The extension of Radio Cymru 2 from 25 hours to 61.5 hours per week is a significant increase in the number of unique programming hours, which Ofcom has correctly characterised as moving from an opt-out of Radio Cymru to the launch of a new UK Public Service in its own right. It is therefore appropriate – and a requirement under the BBC’s Framework Agreement – for the BBC to conduct a PIT to better understand the impact that this new service may have on fair and effective competition.

Given the target audience – i.e. 25-54 year olds with lower levels of fluency in the Welsh language – and intended goal of the station to encourage wider take up of Welsh, the proposed extension of Welsh-language *speech* content is likely to support the BBC’s public mission. However, the fact that it is also the stated intention of the service to “increase audience reach” means there are some important areas that require further clarification to ensure there is limited crossover or duplication with commercial radio music services, in particular:

- **New Playlists:** What is the planned music mix for these curated new playlists, particularly those that will be broadcast during peak drive time hours 17:00-18:30 on Monday to Thursday, and 17:00-18:00 Friday?
- **Operating Licence:** Will the BBC recommend to Ofcom that Radio Cymru 2 is subject to new Operating Licence conditions with regard to both speech and music and, if so, will they largely mirror those for Radio Cymru and follow a similar structure?
- **Future plans:** If the proposed changes to Radio Cymru 2 are approved, will the BBC be able to further extend the station’s original hours in future, for example with more speech programming in English or new/extended music mix playlists? If so, what process would need to be followed by the BBC and Ofcom?

BBC RADIO DISTINCTIVENESS

The BBC plays an important role in the UK radio and audio sector. It also holds an extremely privileged position due to the scale of funding it receives, its unrivalled broadcast network and cross-promotion activities. Its best and most distinctive content provides a significant range and quality of content for audiences. Some of its services, including the educational documentaries and Welsh-language speech content on BBC Radio Cymru, would simply not be possible to provide on a commercial basis.

However, it is important that these services remain truly distinctive. Radiocentre has previously raised concerns¹ where the BBC’s popular music services exhibit high levels of crossover and duplication with the commercial offering, particularly during peak times. This is our main concern with the proposals for extending programming on Radio Cymru 2 – particularly with respect to the music playlists that

¹ <https://www.radiocentre.org/wp-content/uploads/2023/01/RC-response-to-Ofcom-Modernising-the-BBCs-Operating-Licence-September-2022-FINAL.pdf>

will be broadcast during drive time during the week (17:00-18:30 Monday – Thursday, and 17:00-18:00 on Friday).

Radiocentre broadly welcomed² the new BBC Operating Licence which came into force on 1st April 2023. This retained key quotas that ensure BBC radio remains distinctive. We believe Ofcom should retain clear and quantifiable regulatory conditions to ensure that the BBC is held to account for meeting its public service obligations. This approach should also apply to any new radio public services that are launched, including Radio Cymru 2.

Ahead of agreeing any of the proposed changes, Ofcom should confirm what new Operating Licence conditions will apply to Radio Cymru 2. At minimum, we believe these should largely match those that already apply to Radio Cymru (see Annex), with additional requirements to ensure the distinctiveness of the music output on the station.

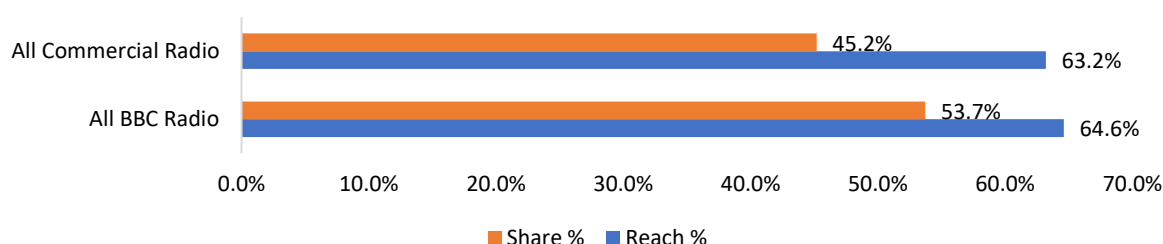
COMMERCIAL RADIO IN WALES

Commercial stations generally produce and promote compelling content that is audience-led and relevant to their broadcast area, this includes where there is demand for Welsh language programmes and bulletins.

While smaller compared to the English-language services offered by commercial radio, there remains a market for Welsh-language programming. Several commercial radio stations feature programming in the Welsh language. For example, Capital Cymru is a local bi-lingual commercial radio service which broadcasts to Gwynedd and Anglesey from studios in Gwersyllt, Wrexham. Greatest Hits Radio South Wales and Capital North West and Wales both operate regular programmes in Welsh.

In Wales, the BBC and commercial radio are broadly equal in terms of reach, with the BBC reaching 65% of the population compared with 63% for commercial radio³. However, it is worth noting that BBC radio is still dominant in Wales in terms of listening time, with a 54% share of radio listening vs 45% for commercial radio. This is in contrast to the UK-wide figures where commercial radio’s share of listening is 55% vs BBC radio at 43%.

Radio listening in BBC Wales TSA (RAJAR Q2 2023)



Similarly, BBC Radio Wales/Cymru has the highest share of listening (8.6%) compared to any of its commercial competitors in Wales. This puts it at a significant advantage especially given the potential for extensive cross-promotion activities accompanying the extension of Radio Cymru 2 – it is notable that Radio Cymru already has some of the highest levels of self-promotion on radio and BBC Sounds compared to every other BBC radio service.⁴ While the PIT consultation covers the Radio Cymru 2

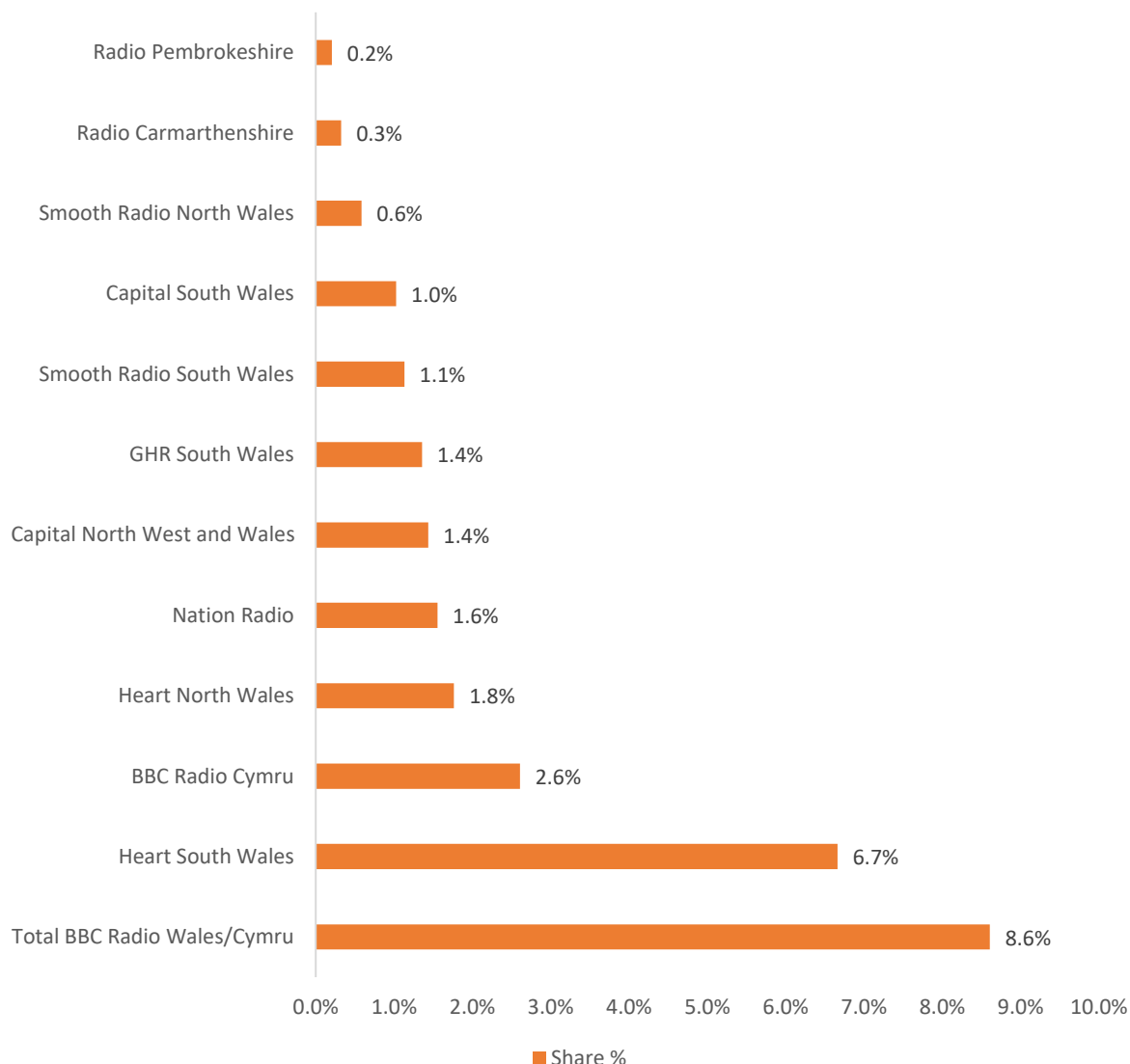
² <https://www.radiocentre.org/new-bbc-operating-licence-retains-key-radio-quotas/>

³ RAJAR, Q2 2023

⁴ <https://www.bbc.co.uk/aboutthebbc/documents/ara-2022-23.pdf>

broadcast station, it makes no reference to how the service will be presented or promoted within BBC Sounds and whether this will be augmented by additional programming aimed at the target audience. More information on the planned cross-promotion and marketing of the new service in Wales should be provided by the BBC.

Radio listening in BBC Wales TSA (RAJAR Q2 2023)



The BBC hopes that Radio Cymru 2 could, within three years of implementation, achieve a weekly share of listening at 0.4% - 0.7% (with an audience reach of between 30,000 and 50,000). This may appear to be small percentage of overall listening share, but it is larger than commercial stations like Radio Pembrokeshire, Radio Carmarthenshire and Smooth Radio North Wales, and (at the higher end) not far off Capital South Wales and Smooth Radio South Wales when considered across the nation of Wales. If Radio Cymru 2 grows its listening hours at the expense of these stations, the relative impact could still be quite significant on their potential advertising revenue over time. It is therefore very important that the new service is genuinely distinctive, and measures are put in place to ensure that it does not duplicate the commercial offering in Wales.

CONSULTATION QUESTIONS

Question 3: What impact (positive or negative) do you think our proposal for an extended Radio Cymru 2 might have on fair and effective competition on commercial radio stations providing (a) other Welsh-language radio services, and (b) English-language radio services, i.e. local services in Wales or UK-wide stations?

One of the main concerns with the format of the new service relates to the proposed new music playlists that will be broadcast during peak drive time slots during the week (17:00-18:30 Monday – Thursday, and 17:00-18:00 on Friday). The consultation document does not state clearly what kind of music will be played during these slots, nor provide sufficient information to understand the music proposition of the service overall.

The document does note that about 50% of music on the service will be Welsh-language and is intended to reflect the needs of Welsh speakers from less-fluent or mixed-language backgrounds. However, it is unclear whether this proportion will apply consistently across all playlist hours – and indeed other hours where music is played – or if Welsh-language music could be condensed into off-peak time slots (for example during evenings and weekends). There is likely to be the potential for a much greater impact on fair and effective competition if these new playlists during weekday drive time are essentially duplicating a pop music offering that is already adequately provided by the commercial sector.

The 50% music mix for Welsh-language music is also lower than the current provision on Radio Cymru (66%). Although the document states that this is desirable based on a listener survey (from 2021 and with no information on the proportion of listeners that cited this quota), there is no clear reason why this quota should be lower on Radio Cymru 2 than on Radio Cymru. Moreover, we do not believe that it is appropriate for such decisions to be driven primarily by the results of a listener survey. The risk with such an approach is that it could be used to justify all manner of changes to a BBC service to make it more popular with its audience, while reducing distinctiveness in the process (for example, reducing Welsh-language music still further). Instead, decisions regarding the format of a new BBC radio service should remain focused on its public value and market impact.

Taking these factors into account, along with the public service mission of the new station, it is not entirely clear why Radio Cymru 2 would not seek to replicate the 66% of Welsh-language music currently available on Radio Cymru, giving listeners interested in learning Welsh higher levels of exposure to the language, as well as providing a boost to the Welsh-language music industry. We also expect that Welsh bands that do not produce Welsh-language music will also be featured and promoted on Radio Cymru 2, although the PIT document is unclear on this point.

Further information on the nature and content of these new music playlists is necessary to fully assess the impact that the proposed extension to Radio Cymru 2 might have on commercial radio stations in Wales. It is also unclear if these playlist sessions will be 100% music-led or include elements of speech output. To remain distinctive from the commercial offering, Radio Cymru 2 should include at least 50% Welsh-language music across *all* hours of music content, as well as regular and frequent news bulletins. These requirements should be incorporated as conditions in the BBC Operating Licence.

Question 4: Are there any steps you think we could take to minimise any potential negative effects?

- **Provide more information about the content of the music output and proposed music playlists** – in particular, confirming that playlists broadcast during the weekday drive time peak will not mirror commercial offerings and be truly distinctive (i.e. including a minimum of 50% Welsh-language music, as well as regular news bulletins frequently throughout the day).
- **Recommending to Ofcom Operating Licence conditions for Radio Cymru 2** – at minimum, this should largely mirror those currently in place for Radio Cymru (with the additional focus on consistency of Welsh-language music output noted above). Clear and measurable quotas would help ensure that the service remains distinctive and does not impact negatively on fair and effective competition.
- **Greater transparency about future plans for the Radio Cymru 2** – the extension of Radio Cymru 2 marks a relative substantial increase in hours and programming. If the BBC has future plans for the station to extend this further, it should be open about what these changes might be – for example, an expansion of speech programmes in English or new/extended music playlists. Greater transparency over any future plans will help to mitigate any inadvertent negative impacts on the commercial sector. The BBC and Ofcom should set out explicitly what consultation and regulatory processes would be required in these circumstances.

ABOUT RADIOCENTRE

Radiocentre is the industry body for commercial radio. We work on behalf of over 50 stakeholders who operate over 300 licensed radio stations across the UK and represent 90% of commercial radio in terms of listening and revenue.

www.radiocentre.org

ANNEX

Operating Licence⁵ conditions affecting BBC Radio Cymru

3.8. In respect of the UK Public Radio Services, the BBC must:

3.8.1 provide a broad range of original UK content;

3.8.2 support new UK talent and creative innovation, including commissioning new titles and output from a broad range of independent producers;

3.8.3 provide a broad range of output covering different genres and content types, including arts, religion, ethics, documentaries,²¹ drama and comedy; and

3.8.4 take steps to reach, serve and engage with all audiences.

4.35 In respect of each UK Public Radio Service specified in condition 4.36 the BBC must ensure that in each Financial Year, the proportion of content which is speech content on that service is:

4.35.1 on average at least 60% in Core Hours

4.35.2 100% during the Breakfast Peak.

4.36 The following UK Public Radio Services are specified for the purpose of condition 4.35

4.36.4 BBC Radio Cymru;

4.51 In relation to each of BBC iPlayer, BBC Sounds, the BBC Website, BBC One Wales, BBC Two Wales, BBC Radio Wales and BBC Radio Cymru, the BBC must provide content of interest and relevance to audiences in Wales, including a broad range of content which reflects Wales' culture.

4.52 In complying with condition 4.51, in relation to each of BBC Sounds, BBC Radio Wales and BBC Radio Cymru, the BBC must provide music of particular relevance to audiences in Wales.

4.58 In respect of BBC Radio Cymru, the BBC must ensure that:

4.58.1 in each Financial Year at least 1,199 hours are allocated to news and current affairs programmes (including repeats); and

4.58.2 it provides news bulletins regularly at frequent intervals throughout the day.

⁵ https://www.ofcom.org.uk/data/assets/pdf_file/0022/255721/bbc-operating-licence-march-2023.pdf