

Agenda – Culture, Welsh Language and Communications Committee

Meeting Venue:	For further information contact:
Committee Room 2 – The Senedd	Steve George
Meeting date: 26 April 2018	Committee Clerk
Meeting time: 09.00	0300 200 6565
	SeneddCWLC@assembly.wales

1 Introductions, apologies, substitutions and declarations of interest

2 Radio in Wales: Evidence Session 5

(09:00 – 10:00)

(Pages 1 – 45)

Marc Webber, Senior Lecturer in Journalism & Media

Martin Mumford, Managing Director at Nation Broadcasting Ltd

Mel Booth, Managing Director Wales, Global Radio.

Neil Sloan, Head of Programming, Communicorp UK

3 Radio in Wales: Evidence Session 6

(10:00 – 11:15)

(Pages 46 – 49)

Dafydd Elis-Thomas AM, Minister for Culture, Sport and Tourism

Hywel Owen, Media Policy Team Leader, Welsh Government

Break (11:15 – 11:30)

4 Radio in Wales: Evidence Session 7

(11:30 – 12:15)

Euros Lewis, Secretary of the Radio Beca Co-operative Society

Lowri Jones, Motivate and Facilitate Team Leader, Radio Beca.



5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

6 Consideration of Evidence

(12:15 – 12:30)

Agenda Item 2

Document is Restricted

Cynulliad Cenedlaethol Cymru / National Assembly for Wales
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and
Communications Committee
Radio yng Nghymru / Radio in Wales
CWLC(5) RADIO02
Ymateb gan Marc Webber / Evidence from Marc Webber

Enclosed is my submission to your forthcoming inquiry into the radio industry in Wales.

It is a subject which I have had a long-standing interest in, from my very first job as a reporter on Cardiff's Red Dragon Radio to my role today as a Senior Lecturer in Multimedia Journalism at the University of Northampton.

Born in Bridgend, I co-founded the local radio station, Bridge FM. I worked as a news reporter for radio stations in Manchester, London and Birmingham and have since gone on to hold senior editorial positions at The Sun online and ITV.com. I was part of the launch team of the Press Association's online video service.

More recently, I have been involved in the growth of podcasting as Head of Sport for audioBoom, which hosts a number of podcasts made by Welsh podcasters. I still present the official Welsh Premier League football podcast.

As well as working at the University of Northampton. I am a football reporter for BBC TV and Radio Five Live. My views here do not represent company policy on this issue for any of my current employers.

During your evidence gathering, you will be presented statistics which show growth in the radio industry in Wales. I refer to numbers like the rise in the amount of revenue made by Welsh commercial radio stations¹ and the fact that more Welsh people listen to radio as a percentage of population than anywhere else in the UK².

Whilst these figures are accurate and welcome, they hide a wider malaise in the market, and I believe that the people of Wales are underserved by the current offering. This is creating not only a democratic deficit in knowledge of how Wales is run, but also a cultural deficit and a jobs deficit.

I will answer your terms of reference by citing specific concerns I have where this is the case. But, in short, the reasons why Wales is being underserved by its radio services (in order of concern) are: -

¹ OFCOM Communications Report: p53 Wales

https://www.ofcom.org.uk/___data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

² OFCOM Communications Market report 2017: Wales p45

https://www.ofcom.org.uk/___data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

- The power of the monopoly held by Global & Communicorp Radio groups on market share in Wales is holding back market development.
- Share of listening to Non Wales-based stations (and digital services) is on the rise.
- Cost of transmission barring new entrants.
- Community Radio has its hands tied behind its back in terms of being able to prove its true worth.
- Commercial radio Welsh language content disparate; if pooled it could challenge BBC Cymru

My suggestions for remedies are at the end of this document.

Question 1. The extent to which BBC Cymru Wales radio services, commercial radio services and community radio services meet the needs of audiences in Wales.

At a time when audio services continue to be popular with Welsh people, a race to the bottom is occurring in Welsh radio, as companies fretting about digital growth has lowered the cultural and political offering of radio in Wales.

BBC Radio Wales & Radio Cymru, coupled with an ever-decreasing handful of local commercial stations such as Swansea Sound and Nation Radio, are the only outlets of engaging, Welsh-made information, entertainment and music.

The challenge to their existence not only comes from the sapping of Welsh jobs, Welsh voices and news as a result of the homogenisation of brands like Heart and Capital throughout Wales (run from London), but also the growth in listening of London-based BBC stations like Radio 2.

There seems to be an audience-led flight away from any station that does Welsh stuff. It is as if Welsh radio listeners do not want to hear people with Welsh accents talk about things going on near them.

I believe this flight away from radio made in Wales can be arrested by pressuring OFCOM to arrest the market failure they have overseen in Welsh commercial and community radio, so new outlets in Wales can set-up at low cost and without restriction. And that the BBC do more to enhance the relevance of UK-wide services to people in Wales.

There is over 80 hours a week of Welsh Language programming aired on commercial and community radio stations in Wales. However, you would not know this because it is spread over a number of rival stations, with no central point of access. There would also be many more hours being broadcast by community stations.

Question 2. The possible impact of the deregulation of commercial radio on audiences in Wales.

In my view, the recently-announced commercial radio market deregulation poses more of a threat to Welsh content than offering a chance to enhance it. It allows for further homogenisation of formats and the removal of local conditions on an FM licence, meaning more of the current Welsh-made content can be removed and it becoming less likely that a national brand like Capital would give exposure to new artists from Wales.

Secondly, it removes more opportunities for Welsh radio producers, presenters and sales reps to have a career in Wales as there will be less shows made in Wales.

The recent DDCMS report³ talked a lot about how those stations that have remained staunchly locally-manned would not be threatened by these reforms. However, I disagree, as the reforms are intended to ensure the free trading of frequencies and that is the commodity the networked radio groups value, not the talent on those stations.

The regulation puts the localness of Nation Radio and The Wave under threat as there is nothing stopping those frequencies from being sold to groups that will remove local presenters.

Whilst the reforms secure the need for local news content, it must be understood that there is more to Welsh life than news. Talking about Welsh culture and sport, even hearing people speak with Welsh accents, makes people feel they are part of a nation. That is what is under threat here.

Question 3. Ownership structures of commercial radio and their impact on local content;

When I worked at Red Dragon Radio in Cardiff in 1992, the station had at least 20 local presenters.

Today, that station is known as Capital and it only has two local presenters. If any other industry in Wales had lost 90 percent of its workforce, there would have been an emergency debate in the Senedd.

Technology has played some part in that lowering of head count, as it has allowed radio shows to be broadcast from anywhere to multiple areas. However, it is the choice of the radio station or network itself whether to partake in the use of that technology to syndicate shows and, more importantly, where they are syndicated from.

³ Government response to consultation on Commercial Radio

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/668926/Commercial_radio_deregulation_Government_response_final.pdf

In Wales, due to the monopoly held by Global and Communicorp, most of the output you hear on Welsh commercial radio comes from Global's studios in Leicester Square. Compare this to the attitude of Bauer Media in Scotland. They realised Scottish listeners would want to listen to people from Scotland broadcasting about Scottish life to Scots.

Bauer syndicate a lot of shows to their seven FM stations in Scotland, but they are all broadcast from Glasgow or Edinburgh. The shows stay within Scotland and are presented by people living in Scotland.

And to counter claims it is not economically viable to serve 24hr locally generated content to a population of three million, have a look at the diversity of choice they have in Northern Ireland, which has half the population of Wales.

Belfast radio listeners have the choice of four profitable commercial radio stations producing local content 24 hours a day. Cardiff has one.

The decision by the Global/Communicorp group to cut local investment in content has led to a race to the bottom by the other groups that remain in Wales. Nation Radio has cut local production in Aberystwyth, Pembrokeshire and Carmarthenshire because they have seen Global 'get away with it' and their margins are quite naturally tighter because they are a smaller group.

However, whilst these groups have cut local programming they continue to sell local advertising. In fact, revenues generated by Welsh commercial radio stations grew in 2017. ⁴

However, the same research shows radio's share of all ad revenue in Wales is anaemic compared to other parts of the UK.

So, if radio is so popular in Wales, why aren't advertisers flocking to it? One reason is the huge number of Welsh people that choose BBC Radio 2 (which I will address later). Another would be the flow of money to targeted advertising on Facebook and Google.

But another one is the lack of choice Welsh firms have in the commercial radio market.

The only part of Wales where there is genuine choice of stations to advertise on is Swansea Bay. In Cardiff, it is a straight choice between Global/Communicorp and Nation Radio. In North Wales, there is no alternative to Global/Communicorp.

It is that lack of choice which makes advertisers believe that a monopoly fixes the price and it is not a competitive place to advertise.

⁴ OFCOM Communications Report: p53 Wales

https://www.ofcom.org.uk/...data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

Question 4. The impact of new technology on local content

Digital technologies have caused the creation of an underground scene of content about Wales which is becoming increasingly attractive to Welsh people.

In January 2018 alone, the podcast hosting company, audioBoom, saw 270,000 listens from Wales to the podcasts they host.⁵ AudioBoom is by no means the market leader in Wales for podcast listening. Numbers for iTunes and SoundCloud, for example, will be far higher.

Streaming services like Spotify are now becoming the only way people consume music or speech audio, with many deserting FM, DAB and even apps like Radioplayer and iPlayer radio.

It explains why there is a merging of FM radio stations into homogenous brands like Heart and Capital. Global's competition isn't really Swansea Sound anymore, it is Spotify. It needs to do what it can to stop listeners fleeing to Spotify.

Similarly, the growth of Spotify and podcasting without significant engaging Welsh content will also water down the 'Welsh voice' in audio as more people use those platforms and there is less Welsh content on them.

The recently-announced development of small scale DAB⁶ could be a big boost to growth of local radio in Wales. However, there are two things that could stop that growth.

Firstly, growth could be held back dependent on who owns those DAB multiplexes and what price will they set for stations to use them. Secondly, will Welsh audiences be able to receive DAB or believe it is worth taking up?

Coverage of DAB in Wales is well below where it should be⁷ and research shows Welsh people are seemingly in no rush to buy DAB sets⁸, so is there any point in new radio stations setting up on DAB if the audience isn't there?

Question 5. The financial sustainability of community radio services in Wales;

Community Radio was supposed to be the great hope for protecting local discourse whilst the commercial stations reduced local content. But at least four Welsh community radio stations have gone under or handed in their licence before

⁵ Data provided to me by audioBoom from their Google Analytics data, Jan 2018.

⁶ DDCMS Consultation on Small Scale DAB licensing

<https://www.gov.uk/government/consultations/small-scale-dab-licensing-consultation>

⁷ OFCOM Communications Report 2017, page 44, 3.3.

https://www.ofcom.org.uk/_data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

⁸ Only 1 in 10 without DAB likely to purchase it in next year - OFCOM 2017 Communications Report. Page 49

https://www.ofcom.org.uk/_data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

even broadcasting. The problem is, community radio is operating blind and with one hand tied behind its back.

We honestly have no idea how well community radio is doing in Wales because it is unable to join the industry-recognised RAJAR audience measurement system used by BBC and commercial radio networks.

Whilst community radio can collect its own data from online listens and could do its own street surveys, that data cannot be compared with data gathered by RAJAR. As a result, it cannot prove its true FM listening in a comparable way to BBC and commercial radio rivals.

This has been a big issue for stations which are seeking funding or are even allowed to sell advertising, as potential funders/advertisers will not trust home-acquired surveys versus the officially recognised measurement scheme of whole radio industry.

RAJAR seems to be a closed shop to community radio due to costs. "Unfortunately, as RAJAR is a not for profit organisation we are unable to offer a discount to charitable stations wishing to join the survey."⁹

It goes on to say on its website: "RAJAR will consider applications from Community stations. Due to the highly localised survey requirements, it is unlikely that existing sample points are already in place requiring a specific cost to be calculated for each application."

So, it is clear RAJAR has no intention of opening the doors to community radio to help them prove their worth. My opinion is that RAJAR is funded by the commercial broadcasters that have left local content to community radio. Therefore, they should fund the surveying needs of community radio to make it a level playing field, otherwise it will never be able to prove its value or acquire any sort of funding and will be dead within five years.

Community Radio has its hand tied behind its back on rules around selling advertising. Whilst commercial radio stations in Wales decrease the amount of local content yet keep selling ads to local companies, community radio is not allowed to go into the airtime sales market. This means unless you have a rich interest group backing you, your access to funds will always be restricted.

Question 6: The suitability of Wales's radio broadcasting infrastructure.

There is another issue which holds back the development of community and commercial radio in Wales – the frightening cost of transmitting on FM. Whilst the hilly terrain has to take some of the blame for this issue, as you need more (or bigger) transmitters to get the signal out, I believe a virtual monopoly in transmission companies in Wales is the real reason behind this. And I cite the

⁹ <http://www.rajar.co.uk/content.php?page=faq>

decision of Radio Beca to hand back their community radio licence as an example of this.

Radio Beca had a bold concept to deliver a Welsh Language popular music channel on an FM community radio licence to Ceredigion.¹⁰ However, they had to hand back the licence two years later without a single broadcast due to the £320k costs of running the station. A large part of that cost - and one that the Beca owners had not budgeted for - was down to transmitting to a wide, hilly area.

There is only really one company that could service the need of the area coverage and that was Arqiva.

Pages 27-29 of an OFCOM consultation on the market dominance of Arqiva¹¹ notes a number of concerns from English radio groups about Arqiva's pricing structure, less preferable terms for new clients and lack of transparency in pricing.

Arqiva has a monopoly on the delivery of FM and DAB signals in Wales. It can set whatever price it likes because it is the only player in the market in Wales. Their pricing structure for Wales is worth investigation.

Suggested Remedies

I understand that some of the suggestions below are not within the remit of the Assembly and they are reserved at Westminster. However, there are a number of ways the Assembly can improve audio services in Wales, either through funding or supporting some of the initiatives below.

And whilst broadcasting is not devolved, I believe this Assembly has a really persuasive lobbying position with OFCOM, the DDCMS and others to make the necessary changes to ensure Wales has regulations which promote growth of the industry in the country, as oppose to harm it.

My suggestions are:

Free or subsidised transmission costs for community radio stations in Wales on FM and DAB.

BBC Radio 2 to run news bulletins produced in Wales on the hour during weekday breakfast and drivetime for Welsh frequencies.

BBC Radio 1 to reinstate the Thursday night Evening Session from Wales for transmission in Wales only or UK wide.

¹⁰ <http://www.bbc.co.uk/news/uk-wales-mid-wales-17776884>

¹¹ OFOM consultation into Broadcast Transmission Services, pages 27-29
https://www.ofcom.org.uk/___data/assets/pdf_file/0032/93785/bts-statement.pdf

RAJAR to offer free or low-cost service to community stations for audience measurement.

Nationwide Welsh Language popular music channel on FM and DAB with no transmission costs for first three years, or a programme-sharing partnership between current Welsh Language show makers.

A free audio news service, supplying clips and bulletins of Senedd sessions to all independent and community radio and podcasters in Wales and beyond.

A unified National sales rep/team in Cardiff, working for Non Global/Communicorp stations & podcasters to pitch for Welsh Assembly/Government and Wales-wide orgs radio ad spend to even up market.

Offer subsidised marketing support to community radio stations in Wales to help raise awareness of their existence to listeners in their area.

Work with Spotify and/or iTunes music to create a stream and marketing campaign around Welsh Music.

Assembly to create podcast workshops at Senedd and in mobile bus to help those interested set up and market their podcast on iTunes.

Nation Broadcasting Group

Overview

From a single commercial radio station launched in Pembrokeshire in 2002, Nation Broadcasting has grown through licence award, new business launch and acquisition to build an impressive portfolio of media assets headquartered at St Hilary, Cowbridge (Vale of Glamorgan) with additional sales offices in Llanelli (Carmarthenshire) and Bridgend; a digital hub at Narberth (Pembrokeshire) and a technology team in London. The group employs over 50 staff across Wales.

Nation Broadcasting
St Hilary Transmitter
nr St Hilary
Cowbridge
CF71 7DP

Tel: 029 2141 4100

Commercial radio portfolio – all wholly owned except as marked * below

Station	Launch / Acquisition	Coverage	FM/DAB
Radio Pembrokeshire	2002 launch	Pembrokeshire	FM and DAB
Radio Carmarthenshire	2004 launch	Carmarthenshire	FM and DAB
Bridge FM Radio	2006 acquisition	Bridgend County	FM and DAB
Swansea Bay Radio	2006 launch	Swansea Bay	FM and DAB
Nation Radio	2008 acquisition	Wales	FM and DAB (South and West Wales) DAB only (North Wales)
Radio Ceredigion	2010 acquisition	Ceredigion	FM only
Dragon Radio	2015 launch	Wales	DAB only
Chris Country Radio*	2016 acquisition	London + parts of UK	DAB only
Thames Radio	2016 launch	London	DAB only
Nation Radio (Scotland)	2018 acquisition Autumn 2018 launch	Glasgow and West Central Scotland	FM only

Digital media

Nation Digital is team of 5 designers / developers based in offices at Narberth, Pembrokeshire offering clients Digital media, Website and social media management.

DAB multiplexes

In addition to operating commercial radio stations, Nation Broadcasting also has interests in the operation of digital transmitters in the following areas:-

Multiplex	Coverage	Shareholding
North West Wales	North West Wales	100%
Mid and West Wales	Pembrokeshire, Carmarthenshire	100%
North East Wales	Wrexham	33%
Suffolk	Suffolk	33%

DAB multiplexing and software*

In 2015, Nation Broadcasting acquired Factum Radioscape, a London-based DAB technology company. Factum Radioscape provides DAB transmission hardware and software to broadcasters across the globe including the BBC and commercial providers in the UK.



Martin Mumford

Managing Director
Nation Broadcasting Ltd.

Directorships
Country Broadcasting Ltd, Radioscape Ltd.

Martin has worked in commercial radio for over 20 years, managing stations through launch, early development and turnaround.

Martin has a broad operational skillset including finance, scheduling, sales, HR, programming, and engineering.

Over the past 11 years at Nation Broadcasting, Martin has overseen the launch, acquisition and integration of new businesses into the group and is responsible for the daily oversight and operation of the group.

Outside of work Martin is a Level 2 Field Hockey umpire.

Martin Mumford
Managing Director
Nation Broadcasting

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DCMS Commercial radio deregulation consultation

RESPONSE FROM NATION BROADCASTING

8 May 2017

Nation Broadcasting
St Hilary Transmitter
nr St Hilary
Cowbridge
CF71 7DP

About us

Tel: 029 2141 4100

Founded in 2001, Nation Broadcasting is a successful media business based in Wales. It has grown through licence applications, acquisition and organic growth and operates a number of UK local and regional radio stations on FM and DAB. It also has investments in digital media, broadcast software and a number of local digital radio DAB multiplex businesses.

Executive Summary

- We support the removal of music formats on analogue stations.
- We support local news and information being the regulatory benchmark, as long as there are no additional requirements on operators than at present.
- Ofcom has a continuing duty to make best use of radio frequencies and we request it prioritises and commences a development strategy for commercial radio's use of remaining FM spectrum, alongside for use by community radio.
- We also believe Ofcom should prioritise additional local DAB multiplexes in major conurbations to complement the development of small-scale DAB.
- FM remains an important development platform and pathway to DAB switchover for commercial radio.
- We believe that FM licences should remain contestable under the existing 'beauty parade' system for the foreseeable future. We suggest that licence awards can be made to aspirant services that promise (and continue to deliver) local programming in addition to committing to DAB carriage.
- There should be no forced FM switchover in any UK region/nation until DAB listening has reached defined targets for coverage and listening within that region/nation.
- There should be equal status for UK nations with no additional news/programming burden.
- News specific to devolved powers should be considered part of local news commitments on stations within each nation.
- Additional format requirements for wholly DAB services is unnecessary and could stifle innovation and limit investment.
- Radio ownership rules should be revisited. Regulations previously allowed for 2 operators + the BBC, yet today there is a more onerous benchmark with different markets having different parameters. Referrals have occurred when markets moved from 3 or 4 operators to 2 or 3. This is inappropriate and inconsistent, with damaging consequences in some local media markets.

General comments on the consultation proposals

Despite commercial radio being in good health, having enjoyed record revenues in 2016 (<http://www.radiocentre.org/commercial-radio-enjoys-biggest-advertising-revenue-figures-in-2016/>), there are few development opportunities for small and mid-sized operators. Absent from this consultation is a strategy for future growth in the industry and, without new opportunities, we will be left with a UK commercial radio market that is dominated by just two players and lacks any short or medium term competition.

The fact is too much FM spectrum rests with just two companies giving them a powerful and overwhelming grip on the industry. The proposals in this consultation would see that advantage become further entrenched since it gives ongoing and guaranteed access to what remains as the most important terrestrial distribution platform.

The current FM spectrum plan was designed for local radio – not national brands. To continue to combine local FM spectrum to create UK wide services is not an efficient or sensible use of such a scarce public resource. Yet, currently the overwhelming share of the industry's spectrum, revenues and audiences are held by just two owners. In the majority of local markets, they own **all** of the FM capacity and it is impossible to launch a viable competitive radio business against them.

We encourage DCMS and Ofcom to conduct an FM audit, overview and development strategy. We need incentives to free up FM and re-use it for truly local commercial and community services.

Alongside the limited development of the FM spectrum for commercial radio despite spectrum being available (as evidenced by the expansion of community radio), there has been no development of commercial DAB in markets where demand exceeds supply (especially in key markets where local opportunities were removed when the regional multiplex licences held by MXR were returned to Ofcom).

In London, listeners can receive nearly 100 radio services, giving news entrants and existing providers the opportunity to trial demand and the business case for a wide range of services.

It is notable that, where there is significant choice like this, digital radio's share of listening is significantly higher than the UK average – in London, over 50% of radio listening is digital. London manages this because it is the only city in the UK with more than one local digital multiplex. Other metropolitan areas, such as Cardiff, Birmingham and Manchester have just the single local multiplex, severely restricting the ability of the sector to grow.

The evidence in Wrexham and Chester, where we are a shareholder, proves that more capacity really does drive more choice. Through the choice of its transmitter at St Johns Beacon, the multiplex delivers good coverage of Liverpool. The multiplex currently provides 13 services (using a mix of DAB and DAB+), of which 31% are analogue simulcasts and 69% are community / new services. This highlights that local commercial multiplexes are not necessarily too expensive or cover the wrong areas to enable new services to launch and flourish, and that Liverpool has benefitted from having coverage from what is effectively a second local commercial multiplex.

Nation is supportive of small scale digital multiplexes but as these multiplexes are “to meet the needs of ultra-local commercial and community radio stations” (Kevin Foster MP) and should be “no more than 40% of the size of current local services” (Dr Rosena Allin-Khan MP on Ofcom's rule), we believe that every major metropolitan area in the UK should have a second local commercial multiplex in addition to any small scale multiplexes. This would best ensure that commercial radio

can maximise choice to listeners across the country, whilst also assisting the commercial radio sector to grow.

We therefore urge DCMS to require Ofcom to undertake a full and proper review of analogue and DAB spectrum - ahead of ANY new licence development - to assess and develop a licensing plan that meets the need of the whole industry rather than a sub-section of the sector. Commercial radio can only grow and mature if there is a level playing field of opportunities.

If the largest groups wish to have greater regulatory freedom by creating large scale brands, they could and should be encouraged to forfeit some FM capacity. At the same time, commercially useful spectrum must be identified, advertised and licensed (or re-licensed) by Ofcom. Since FM spectrum is the main driver of innovation, we submit that if more FM capacity is released, more new and innovative services will develop and migrate to DAB, escalating DAB take up and encourage the development of new and innovative operators.

We believe that existing FM licences should remain contestable. We suggest that the award of a licence should go to services that promise and continue to deliver local programming. There is a clear advantage in having an FM frequency and some competitiveness in the market may help to drive innovation and benefit listeners.

We recognise that regulatory change could be beneficial, particularly the removal of music formats in favour of more obviously measurable indicators such as locally produced programming or content.

The current approved areas, in relation to programme sharing and location, should be reduced to England, Scotland, Wales and Northern Ireland.

We also take this opportunity to submit that Wales is considerably behind the UK as a whole in relation to a drive to DAB listening and any roadmap for switchover should take this into account.

The table below from the latest available RAJAR figures demonstrate less than 30% of listening is through DAB. Commercial radio listening to DAB in Wales currently delivers only 25% of listening hours and it is commercial radio hours that drive advertising effectiveness and revenue.

TSA: BBC Radio Wales

Audience: Adults 15+

Weight: Each station is weighted by its own weight

Layer: Adults 15+

		All, not filtered	DAB	%
All Radio	Reach (000's)	2385	1038	44
	Hours (000's)	53727	15124	28
All BBC Radio	Reach (000's)	1796	677	38
	Hours (000's)	29829	9111	31
All Commercial Radio	Reach (000's)	1618	665	41
	Hours (000's)	22921	5814	25

We are concerned about implementing new format requirements on DAB services. We believe that digital only stations should be free to do as they wish. There is a significant commercial risk in launching any new venture on DAB only – a risk that we believe will continue for many years ahead and borne out by the number of DAB stations that have launched and closed. The DAB market is operating more effectively than FM currently. Proposals to introduce format requirements on DAB

only stations could restrict the number of new services launching and undermine the potential for local DAB multiplex operators, in particular, to offer space to UK wide providers.

We do not believe DAB stations should have any additional regulations at this moment in time. FM switchover is many years away and we believe additional regulation on DAB services will stunt development and innovation.

Taking our own service Chris Country, a niche station playing country music which is currently carried on multiple DAB multiplexes around the UK including Suffolk, London and NE Wales, the inference from the consultation is that this service could be required to broadcast separate news bulletins in the future. The additional cost burden of programming and distribution would almost certainly mean the service would withdraw from a number of multiplexes.

In closing our general comments, Nation Broadcasting today competes against the UK's largest radio groups. In 15 years, we have grown from a start-up at one of the smallest stations in the UK to become the largest operator in Wales.

Our story demonstrates how FM frequencies are a necessity for smaller companies to develop their businesses. Without companies such as Nation Broadcasting, there would be fewer jobs in radio, less competition for local businesses and less choice for listeners.

That is a future we face, if these proposals are adopted without additional thought and subsequent policy proposals on the development and future use of the FM spectrum.

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?

We believe there is no need for Ofcom to take an ongoing role in ensuring a range of music services.

However, it should have an ongoing role in the allocation of analogue spectrum and this duty should be based on firm local programming commitments from licensees and applicants. This will secure a range of national and local services, maintaining Ofcom's key statutory duty.

We agree with the BBC that FM switchover is unlikely any time before the early 2020s. In areas such as Wales, where DAB penetration is slower, FM will exist for many more years to come beyond that.

This summer we are launching new FM transmitters in West Wales, underlining our own commitment to the FM platform. These transmitters will, in all probability, still be in use towards the end of the 2020s. Against this background, this consultation appears premature and it suggests that there is more than enough time ahead to launch and establish new local services on FM.

If spectrum is released through an audit of available spectrum, or through the incumbent choosing to forfeit (to migrate to DAB), we suggest spectrum could be offered to aspirant commercial operators and awarded on local content commitments which would be fixed for an initial period.

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?

We support the idea that Ofcom should have more flexibility to license any overseas radio stations/operators on DAB.

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)?

We do not agree that these restrictions should continue.

We believe that the restrictions should be lifted and that each of the three licences should then be auctioned, in line with the original premise of the awarding of them, at the next possible opportunity.

Each INR licence has a significant advantage through its analogue spectrum and we believe they do not pay a fee that represents the true value of the spectrum they use.

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.

We support a move to remove all music requirements. We suggest this would lead to local content becoming the more important and objective factors, enabling Ofcom to continue awarding licences on a contestable basis in the future and regulate existing operators.

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?

Local news should be considered part of local programming and Ofcom should be responsible for overseeing that local programming is delivered based on more widely defined UK nations and regions as we have outlined.

We submit it is unfair to burden the UK nations with greater regulatory burdens. The rules should be fair and consistent.

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?

The proposals, if implemented in their current form, would result in the closure of a significant number of radio studio locations around the UK and a narrowing of opportunity for broadcasters to a handful of broadcast centres, predominantly in London. We also believe that listeners would see their programming choice on FM narrowed and local advertisers might also lose the opportunity to advertise on individual local transmitters.

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?

We do not see why UK nations should have a greater level of regulation than stations based in England. The populations of the UK nations outside England are considerably smaller and the radio spend per of population is lower, making it doubly unfair that they should be considered for enhanced requirements.

Additionally, if these proposals were to proceed it appears unfair to us as a committed local broadcaster, that whilst our colleagues at local stations in England can benefit from a national brands competitor effectively moving out of town, in Wales we will not have the same benefit.

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?

We submit that neither option outlined by DCMS is workable.

The DAB mux operator should not be responsible. Beyond any FM switchover, we believe the market will – but should not be forced to - provide this on local mainstream music services.

In the existing market there is evidence that commercial providers act responsibly. This is demonstrated by Nation Broadcasting's 'News for Wales' bulletin and the decision to run relevant and local news on digital only services such as Dragon Radio, Thames Radio and Chris Country.

DCMS should be aware that the main news provider for UK / International news Sky news (contracted by IRN) is based in London. It would be cost prohibitive to prevent stations using this service in the future solely because of the provider's location.

With regards digital only genre stations, they would close and/or become less attractive if they were forced to provide a local news service as we have indicated with the potential challenge to our existing service Chris Country in our general submission.

The only option we can identify is that FM is retained by any operator which continues to provide local programming/news but is forfeit if they choose to move to DAB and drop these requirements – this is again consistent with our general submission.

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

Consistent with our general submission we believe that plurality of provider is protected by retaining the current format requirements and expanding approved areas.

In the current regulatory environment, news about devolved powers within the nations is not considered to be 'local' in the context of local news requirements on analogue services. This approach is inconsistent with encouraging plurality and relevant news for the nations.

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.

We are wholly unconvinced by this argument. We believe good arguments remain for maintaining the requirement for local commercial analogue stations to produce content locally as per Ofcom's guidance in order to protect local production centres, given the station has the benefit of access to local advertising (as a result some stations have a considerable share of local advertising in their markets). We do not believe that the location of production of programming items (such as news, travel or features) is as important as the location of programmes (i.e. the studio, presenter, playout system).

To demonstrate this point, Nation Radio's travel news service is currently produced from England using information collated and relevant to Wales. We do not think that listeners are at all interested in the method or location of insertion of this information into our output, and yet, potentially this arrangement might not be allowable in the future.

We use this example to demonstrate two points we make consistently in this submission: operators in the nations should not be unfairly disadvantaged and no station should be under a greater regulatory burden than it is currently.

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.

We do not believe that the nations require different arrangements, particularly if these place additional burdens on operating a commercial radio business compared with England, where advertising revenue is historically higher and transmission costs are generally far lower per head of population served.

Q12. We would welcome views on changes needed to Ofcom's powers to license new commercial radio services as part of the proposed changes to streamline and simplify the radio licensing regime.

We believe that where licensees commit to maintain local programming existing FM licenses should only be terminable on 2 year's notice of FM switch off (i.e. an industry event) or through sanction (failure to provide the service). Any FM licenses forfeited by operators migrating to DAB to remove local programming commitments should be re-advertised with a 5-year moratorium on format change. Format change for existing licensees should continue on the current basis.

Q13. Should the duration of national and local analogue licences renewed after a switchover has been announced last for a flexible period until the switchover takes place?

We agree with this with the caveat that implementation should only take place once the area covered has reached a measurable indicator such as 95% coverage and +75% listening.

Q14. Should the duration of local analogue licences for those qualifying smaller stations choosing to continue to broadcast on analogue after a switchover be renewed for fixed period or an indefinite period?

We believe license durations should be indefinite when based on the continued commitment to provide local programming we have outlined.

Q15. We would welcome views on these proposals on whether the requirement for analogue stations to simulcast on a relevant DAB multiplex for the term of the licence as a condition of its renewal should only apply for stations that have benefited from previous renewals.

Stations that have previously committed to DAB should be rewarded since there is a significant cost to duplicate carriage. They have made an investment in the future and there is a listener benefit. We have suggested an alternative method for the indefinite renewal of FM which is not linked to DAB carriage. We suggest Ofcom determines the minimum bit rate requirement for services to prevent operators simulcasting in DAB at the lowest possible bit rate. We also believe Ofcom should allow existing operators who have renewed on DAB to use DAB+ subject to a minimum bit rate requirement. In Mid and West Wales, regulatory restrictions on our services have prevented some of our services moving to this platform which stifles innovation and maintains cost burdens based on the theoretic disenfranchisement of an unknown number of people who do not have access to DAB+ compatible radios.

Q16. We would also welcome views on the effect of any changes to the simulcast conditions for renewal on stations and on commercial radio to national and local multiplex operators and on efforts to support the transition to digital.

We believe that FM stations should only get a licence renewal if they are on, or have made best efforts to be carried on a relevant local multiplex.

Q17. We would welcome views on possible impacts and benefits of allowing more flexibility for stations to reduce expensive analogue broadcasting and of limiting the use of vacated analogue spectrum to non-commercial services e.g. community radio.

This should become a commercial decision for each licensee. Newly released FM spectrum should be used for a mix of commercial and community broadcasting, in line with our comments elsewhere in this paper.

Q18. We would welcome views on removing Ofcom's powers to oversee changes to station line ups on national and local multiplexes and whether these changes have any impacts on competition.

Multiplex operators should be free to innovate and have new services as they see commercially relevant. Ofcom should oversee programme output and where DAB is linked to FM rollover that the relevant format requirements are being met.

Q19. We would welcome views on whether the criteria for Ofcom to determine applications for national and local multiplex licences also need to be updated in line with the wider proposals for deregulation set out in this consultation.

We believe the current "Beauty Parade" criteria remains relevant for the award of local and national multiplex licences.

Q20. We would welcome views on whether the same arrangements for extending the duration of analogue commercial radio licences (see Q13) in the run up to a future radio switchover should also apply to community radio.

We favour a wholesale change to regulations surrounding community radio in order to create a more level playing field between community radio and local commercial radio.

Consistent with the de-regulation of commercial radio, we believe community stations should be free to become wholly commercial services – a more dynamic sector and encourage investment and therefore be owned and operated by existing commercial stations.



**Jason Bryant
Executive Chairman
Nation Broadcasting**

Introduction

1. Global is one of the world's leading media and entertainment groups with a portfolio of some of the most respected media brands, events and festivals. We are home to Heart and Capital, two of the biggest commercial radio brands in Wales. We also broadcast Classic FM, LBC, Smooth, Radio X, and Capital XTRA in Wales and across the rest of the UK.
2. We broadcast Heart South Wales from our Broadcast Centre in Cardiff and Capital North West and Wales, and Capital Cymru from our Broadcast Centre in Wrexham. Communicorp UK operate Capital South Wales and Heart North Wales separately under brand licence agreements. Every week, almost 1.2m adults in Wales tune in to one of our radio brands, 45% of the adult population of Wales.
3. We welcome the opportunity to contribute to the debate on radio in Wales. Below we set out our assessment of the important role radio plays in Wales with a particular focus on news, and in the light of recent policy proposals published by the UK Government on the future regulation of commercial radio.

Radio listening in Wales

4. 90% of all adults in Wales tune in to the radio at least once a week, listening for an average of over 22 hours a week. Total radio listening in Wales remains strong, with total radio listening hours growing by 6% over the last 10 years.
5. However, the growth in total radio listening masks a gradual but significant shift in radio consumption amongst younger listeners. 85% of 15–24 year olds in Wales listen to the radio at least once a week, only slightly below the 88% of 15–24s who tuned in 10 years ago, but they are listening for significantly less time. 10 years ago, 15–24s in Wales listened to the radio for an average of 19 hours a week. This has now fallen to 16 hours a week, a decline of 16%. This is a result of the huge range of media choices available today on the internet

and through audio and video streaming services such as Youtube and Spotify as well as the growth of social media such as Facebook, Twitter and Snapchat.

6. Another gradual but significant shift has been the growth of listening to UK-wide radio services, and the relative decline in listening to services broadcasting to a specific local area or region or broadcasting across Wales. 10 years ago, UK-side services accounted for 60% of all radio listening in Wales, but this figure has gradually risen to reach 70% today. Local and regional, including those broadcasting across Wales stations from the BBC and commercial radio now account for only 30% of total radio listening.
7. These trends in listening between younger and older listeners, and between UK-wide services on the one side and local, regional and nations services on the other, are consistent across the UK.
8. Research conducted by Ofcom in 2013 on commercial radio backed up our own understanding of what makes people tune in to a particular local radio station. Music was the number one type of content valued by 83% of listeners to local commercial radio in the UK. Local news is highly valued by listeners across the UK, including Wales, and was the second most value content on local commercial stations at 45%, followed by weather at 35% and traffic and travel at 34%. Ofcom's research clearly shows that audiences value local news and information highly, but the primary driver of what stations a listener will choose to tune in to is the music played, not the availability of local information.
9. The last 10 years has seen a dramatic growth in the availability of new radio stations on digital platforms, particularly DAB digital radio. Because of economies of scale, these new stations are invariably broadcasting UK-wide, differentiating themselves by the type of music played and do not carry local or regional news or information. The gradual shift in listening away from local and regional services to UK-wide services is, at least in part, the result of the growth in new UK-wide digital radio stations.
10. It is clearly important not only that the radio sector as a whole can continue to flourish in the face of ever increasing competition for listeners from new internet and streaming services, but also that local and regional stations are

also able to compete effectively. If local, regional and nations services cannot compete for listeners in the digital age then listeners will no longer be able to hear the local, regional and nations news and information which they value.

The Importance of Radio News

11. Ofcom's News Consumption Survey published in June 2017 shows that 31% of adults in Wales consume radio news – a higher percentage than read printed newspapers. In 2017, RadioCentre commissioned new research on the importance of commercial radio news. This "Breaking News" research showed that across the UK radio is the most popular source of regular news updates, beating all other media, is the most popular source of news in the morning, and is the most popular medium for news updates during local emergencies.
12. At Global, we are very proud of our local news output in Wales. Every year, we produce over 29,000 news bulletins in Wales which approximates to 760 hours in duration, employing seven broadcast journalists in Cardiff and Wrexham. Of those bulletins, 3,000 are broadcast in Welsh on our Welsh language station Capital Cymru. In the last 12 months, we have covered significant Welsh stories including the death of Carl Sargeant AM and the subsequent by-election, the Finsbury Park terror attack, devastating flooding across North Wales and the Champions League Final.
13. Research commissioned by Ofcom, RadioCentre and the European Commission all confirm that radio is the most trusted medium for news. Protecting this valued source of local, regional and nations news is clearly vital as digital platforms continue to grow.

UK Government's Proposals for Regulatory Reform

14. The Department of Digital, Culture, Media and Sport has recently published its proposals for the future regulation of commercial radio following advice from Ofcom and a UK-wide public consultation. The proposals include plans to remove the rules which currently govern the music commercial radio stations play, to remove the requirement to produce some non-news content within Ofcom-defined regions, and proposals to ensure that local news and information continues to be provided by commercial radio stations after a possible future digital radio switchover.
15. Global has welcomed the UK Government's proposals as we believe they will help to ensure that commercial radio continues to thrive in the 21st century

and also that the sector will continue to provide local, regional and national news and information.

16. Under current legislation Ofcom places conditions on local analogue commercial radio stations to determine the mix of music they can play. These requirements date back to the 1990 and 1996 Broadcasting Acts and the 2003 Communications Act. Before the advent of the internet and music streaming services and the growth of DAB digital radio, these regulations were considered necessary to ensure that a range of radio services were available across the UK. Listeners can now choose from dozens of digital radio services, access hundreds of thousands of online radio services through internet services such as TuneIn or create their own playlists using services such as Spotify. The regulations on music formats to which local commercial radio stations are subject are no longer necessary to protect choice and serve only to limit the sector's freedom to innovate. Global therefore strongly supports the removal of these regulations.
17. The proposals also include changes to the regulatory regime to ensure that, in the event of a future digital radio switchover, local and regional stations broadcasting on DAB digital radio would be required to continue to broadcast local news and information, as they are on FM. The precise means by which this requirement would be enacted has yet to be decided. As discussed above, Global's view is that listeners value local news and information on local stations highly and we believe that is in operators' commercial interest to continue to provide local news and information. We fully expect to continue to provide local news and information on our local and regional stations on DAB digital radio. However, we recognise that the lack of a clear requirement in the current regulatory framework post a potential future switchover is a concern for stakeholders and we are therefore supportive of this change in principle.
18. The UK Government has also proposed to remove the regulations that require local analogue commercial radio stations to produce a "suitable proportion" of programmes from within a local area or region defined by Ofcom. We strongly support this change. By removing the local production rules, these regulatory changes will enable local and regional stations in Wales to continue to compete with other audio services in the digital age, whilst maintaining the provision of accurate, unbiased local news and information. The change will

provide operators of local and regional stations with greater flexibility on how they deliver their services and thus ensure they are able to continue to invest and grow audiences. Local stations will still be required to maintain appropriate trained journalistic resources in the areas they serve, but will have more flexibility on how and where programmes are made. The alternative, if these regulations were to be retained, risks undermining the provision of local content in the future. In our view any regulation which imposes a disproportionate burden on local or regional stations as compared national stations or unlicensed streaming services needs to be considered very carefully, as regulation can easily lead to unintended consequences, as was the case, for example, when Valleys Radio closed down in 2009 following Ofcom's refusal to grant consent to the station sharing facilities with a sister station in Swansea.

19. In an increasingly competitive market, radio station operators face trade-offs and have to decide where to invest limited resources. We believe the regulatory regime should encourage investment in local news and information content which has high public value. The available research suggests listeners agree. Ofcom commissioned research from Kantar Media in 2015 which asked listeners their preferences for content on local commercial radio stations between (i) local news bulletins and local information throughout the day, but no locally-based presenters, (ii) locally-based presenters at a certain time of day but no local news bulletins or local information updates outside these times, or (iii) locally-based presenters, but no local news or local information bulletins. 76% of respondents preferred the first option with only 15% choosing the second option over the first.
20. These regulatory change will provide operators with greater flexibility on how they choose to tailor their programming for their listeners and will help the sector to continue to invest and grow, to the benefit of all listeners.

Document is Restricted

Agenda Item 3

Culture, Welsh Language and Communications Committee's Radio Inquiry:

The Importance of the Committee's inquiry

The Welsh Government welcomes the Committee's inquiry into radio in Wales. Radio is often overlooked in the discussion about the future of broadcasting in Wales. The importance of the radio sector in Wales was reflected in Ofcom's Communications Market Report for 2017. The report indicated that radio services reached 91.6 % of adults in Wales, the highest reach of all of the UK nations – the UK average was 89.6 %. Listeners in Wales also listened to radio for the longest compared to the UK as a whole which was at 22.7 hours per week on average, the highest figure since 2012– the UK average was 21.4 hours

Digital Radio

We recognise that there have been improvements in DAB coverage in some parts of Wales during recent years and we urge Ofcom to continue to liaise with relevant stakeholders, including the BBC, to ensure that this continues. However, the Welsh Government's position in relation to digital radio switchover has not changed. The Welsh Government has consistently stressed that we would not be in favour of digital switchover for radio until there is a guarantee of at least 97% coverage for DAB throughout Wales. The DAB service in Wales should not be worse than Welsh AM/FM radio coverage at present and should be available in areas where currently the national radio stations can only be received on the AM spectrum.

Despite improvements in coverage of DAB in some parts of Wales, there is still a long way to go before it would be appropriate to consider digital radio switchover in Wales. The Welsh Government continues to be concerned that even when the proposed criteria for radio switchover are met on a UK basis, there would almost certainly be a significantly lower level of DAB penetration in Wales.

Community Radio

Community radio stations across Wales provide a key service for local residents, reflecting the issues affecting people and their communities.

Between 2008 and 2014 the Welsh Government funded a Community Radio Fund to support community radio stations across Wales holding community radio licenses awarded to them by Ofcom. In view of cuts to budgets across the then Culture and Sport portfolio difficult decisions had to be taken with regard to funding and unfortunately, therefore the fund came to an end.

Commercial Radio

The importance of commercial radio in Wales should also be recognised. The commercial radio sector makes a vital contribution when we consider the importance of ensuring plurality of services in Wales.

As a Government we would not wish to see further relaxation or removal of the current localness rules on commercial radio. It is vital that there is an appropriate

level of localness provision in particular local news. This is even more important in Wales considering the weakness of the print media in Wales and the lack of coverage of Welsh affairs in UK newspapers.

BBC Radio Stations

As with the importance of BBC Cymru Wales' television output, we recognise the continuing roles of both Radio Wales and Radio Cymru in providing essential services for the citizens of Wales.

We welcome the commitment across both services towards combining local and international news coverage. This underlines the distinctive nature of the news services provided by both national radio services and value of the service provided to listeners.

As a Government we are concerned that the range of non-news programming generally is narrowing. We therefore welcome the fact that Radio Wales and Radio Cymru continue to provide a comprehensive range of non-news programming. Indeed we see the breadth of programming provided across both services as central aspects of the public service they provide. In our view that breadth should be maintained and, whenever possible, strengthened.

Radio has a crucial contribution to make in providing a platform for Welsh talent to be identified and developed. This applies to the music content featured on both services and, equally, to writers and actors. Radio has a particular strength in allowing people to tell their own stories. It is essential that both national radio services in Wales continue to strive to reflect as wide as possible a picture of life in Wales. Even as new digital platforms proliferate, we do not underestimate the particularly valuable role played by radio in this respect.

As with television, we are concerned that Wales continues to be particularly under-represented on the main UK radio networks. Very little of the BBC's commissioning for UK network radio appears to come from Wales. We would like to see a greater contribution to the radio network being commissioned from BBC Wales; the BBC should set more stretching targets in this regard.

Whilst both national radio services in Wales have important roles to play as sources of information and entertainment, Radio Cymru plays an additional role via the contribution it makes in ensuring that the Welsh language continues to thrive. In this regard, its role is more than just a broadcaster. We warmly welcome the fact that Radio Cymru 2 has been established during recent months to give more choice for Welsh speakers.

We welcome the strengthened partnership which has developed over recent years between Radio Cymru and S4C. There continues to be only one Welsh language radio service and one Welsh language television service. It is therefore essential that the partnership between these two services should be as imaginative and productive as possible.

Ofcom's new role as external regulator of the BBC

We recognise that this is currently a transitional period for Ofcom in relation to its new role as external regulator of the BBC, which we acknowledge is complex and wide-ranging. It is vital that the BBC delivers over the next Charter period against its strengthened mandate and duties to the people of Wales, as well as to the other nations and regions of the UK. This includes its radio output

In our recent response to Ofcom's consultation on its Annual Plan for 2018-19, we expressed concern about a number of aspects in relation to Ofcom's new role as external regulator of the BBC. The Welsh Government provided a detailed response in July 2017 to Ofcom's consultation on its first Operating Licence for the BBC. In our consultation response, we raised a number of concerns about the draft Licence, which we urged Ofcom to address to create a final Licence that was fit for purpose. It was disappointing that the Licence was not amended to reflect a number of important improvements which were suggested and explained in detail by the Welsh Government in its response to the consultation

We will continue to liaise constructively with Ofcom, to ensure that the BBC is properly held to account for the delivery of its services. The Welsh Government and the National Assembly will both be closely monitoring the BBC's progress against the requirements of the Service Licence.

We welcome Ofcom's assurance that the Operating Licence and performance measures will evolve over time and that it expects the BBC to continue improving how it delivers against its remit.

Welsh Language

As noted in the *Cymraeg 2050: a million Welsh speakers* strategy, the broadcast media has played a key part in our efforts to revive the Welsh language over several decades. It is imperative that this should continue and that this provision should increase, and we will do all we can to support and enhance Welsh-language provision, whatever its nature, in future. In the short term we will use our influence to ensure that the offer in relation to radio continues to be up to date and relevant to Welsh speakers of all ages.

Welsh language music has, of course, been an extremely positive way of promoting the language and raising awareness of it. One way the Welsh Government has done this is through the Welsh Language Music Day (Dydd Miwsig Cymru) campaign. Welsh Language Music Day was held for the third time on Friday 9 February. By using PR, marketing and social media methods the campaign reached 74 million people with the hashtags #DyddMiwsigCymru and #WelshLanguageMusicDay. 183 businesses and 318 schools took part in the campaign across Wales, with a number of Welsh language artists performing. 74% of the people asked said the campaign had made them want to learn Welsh.

Radio Cymru is, of course, essential for ensuring that contemporary Welsh language music is aired every day of the year.

When television and radio licenses for stations in Wales are awarded or reviewed, due consideration should be given to the bilingual nature of Wales and the

importance of the Welsh language in the context of the Welsh Government's aim of having one million Welsh speakers by 2050 by specifying in the contract that a set number of hours be broadcast in Welsh along with a statement about Welsh-language web content such as text, streams and clips.

Linguistic diversity, especially the Welsh language in services for Wales, should be set as a target when granting and regulating services for Wales.