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Dear Peter

REVIEW OF MUSIC FORMATS FOR LOCAL COMMERCIAL RADIO

Thank you once again for attending the meeting of the All Party Parliamentary Group for Commercial Radio on 24 February 2015 to discuss the issue of music formats for local commercial radio stations. I am now writing to you on behalf of the Group to provide some further observations on the Ofcom consultation into this matter.

The backdrop to this consultation is the changing way that people listen to music these days and the fact that technology means that the choice available to consumers is much greater than it has ever been. This expansion of music choice has been driven by the emergence of new online services such as Spotify, Deezer, YouTube and TuneIn Radio alongside the hundreds of radio stations in the UK. Against this background it seems unnecessary and prescriptive to retain a system of regulation based on a centrally planned and managed regime of music formats for local commercial radio.

Ofcom does of course have a number of existing statutory duties relating to the character of service of local commercial radio stations. However, both Ofcom and DCMS also appear to recognise that the legislation allows for significant discretion in this area, which could help radio stations compete more effectively with new online services and react more effectively to the needs and demand of listeners.

This would appear to be what prompted the Minister Ed Vaizey MP to announce in December 2013 that *'Ofcom will undertake a review of music formats next year to see if these can be relaxed to give industry greater freedom to adapt to changing consumer tastes and to ensure competition'*. I understand that this announcement was broadly welcomed by the industry and led to an initial 'call for inputs' in May 2014. As I mentioned to you when we met, I am unclear exactly why it took 5 months to initiate this process and then a further 8 months to launch a full consultation.

Nevertheless, following on from this initial phase Ofcom has now presented three possible approaches:

1. No change – retaining the current arrangements
2. Simplification – merging some of the current descriptions of ‘mainstream popular music’
3. High level formats – based on specialist genre *or* target audience

While some modest adjustments to the current system are being proposed (at least in Option 2 and 3) these are largely administrative changes. The options being presented are not particularly ambitious in seeking to provide radio stations with the freedom to adapt to changing consumer tastes, which appeared to be the original intent of the review as announced by the Minister in December 2013. Instead in each of these scenarios it is Ofcom, as the industry regulator, that will remain responsible for defining and enforcing specific music formats for local commercial radio.

Ofcom explains this approach by highlighting its statutory duties, but as far as I am aware there is nothing in the current statutory framework that requires Ofcom to continue to regulate by using written descriptions of music formats. Moreover there is no compelling evidence that the current approach helps Ofcom provide any material benefits for listeners.

In the long term the legislation governing this area probably requires further amendment to reflect market changes and differences in consumer behaviour. However, in the meantime it may be possible to adapt the options being considered by Ofcom, so that it can comply with the existing regime but provide greater flexibility.

For example, Ofcom could consider a variation of Option 2 that would broaden the definition of ‘mainstream popular music’ (or ‘broad music’) to include more stations, while also providing the option for specialist music stations to adopt shorter and simpler formats.

This approach would seem to offer a greater degree of flexibility for stations to innovate and grow their business in the face of competition from music streaming services, which are not required to comply with the same sort of content regulation. It would also seem to provide a method of complying with the current statutory requirements on the range and diversity of music output on local commercial radio.

I hope that you find these observations useful. I look forward to reading the conclusions of this consultation. Please note that any responses to this letter should be directed to RadioCentre, as it will be overseeing the administrative functions of the Group until Parliament reconvenes.

Yours sincerely



Andrew Bingham MP
Chairman
All Party Parliamentary Commercial Radio Group