

talkSPORT – Proposals to reduce AM Coverage

Statement

talkSPORT – proposals to reduce AM coverage (statement) – Welsh overview

Statement:

Publication date: 24 April 2023

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1. Overview

talkSPORT Limited ("talkSPORT") submitted a request to reduce the coverage of its national AM (medium wave) commercial radio service from 93% to 89.9%, by ceasing transmissions from the following four of its twenty-two transmitter sites:

- Dumfries (Dumfries & Galloway)
- Kingston upon Hull (East Riding of Yorkshire)
- Fern Barrow (Bournemouth)
- Greenside Scalp (Tayside)

We consulted on the request with a preliminary view that we were minded to approve it. We have had regard to the responses we have received in reaching our decision. We received two responses agreeing with the proposal and four disagreeing. In section 3 below, we summarise stakeholders' comments, assess them and outline the conclusions we have reached.

What we have decided - in brief

Ofcom has decided to approve the request submitted by talkSPORT Limited to reduce its AM (medium wave) coverage by ceasing transmissions from four of its transmitter sites.

2. Background and Legal Framework

- 2.1 talkSPORT Limited ("talkSPORT", or the "Licensee") holds one of the three national analogue commercial radio licences¹ in the UK issued under the Broadcasting Act 1990 (the "Broadcasting Licence"). Under the terms of its Broadcasting Licence, it must provide a radio service which is "A 24-hour speech service featuring primarily sports-related programming. Regular news bulletins will be included".
- 2.2 The Broadcasting Licence was initially awarded by an auction process in July 1994, and has subsequently been renewed on three occasions. The latest renewal process was completed in December 2021, when we decided to renew the Broadcasting Licence for a further tenyear period, until 31 December 2031.²
- 2.3 From its launch in 1994, talkSPORT incrementally increased the coverage of its national AM radio service to ultimately providing the service to 95% of the UK adult population through voluntarily adding further transmitter sites. In 2019, Ofcom approved a request from talkSPORT to reduce its coverage to 93%.
- 2.4 In addition to this national AM licence, talkSPORT also broadcasts nationally via DAB on the Digital One multiplex. The service is also available via the internet and on television on the Freeview, Sky and Virgin Media platforms.
- 2.5 On 10 October 2022, Ofcom received a formal submission from talkSPORT seeking approval to switch off seventeen AM transmitter sites, reducing its national medium wave transmitter network to five core high power sites. talkSPORT said its proposals would reduce coverage to 85%. Its plan for implementing these changes was as follows:
 - a) closing four transmitter sites immediately: Dumfries (Dumfries & Galloway), Kingston upon Hull (East Riding of Yorkshire), Fern Barrow (Bournemouth) and Greenside Scalp (Tayside). talkSPORT identified these four transmitter sites as areas that may already be unviable.
 - b) closing the remaining thirteen sites gradually: Fareham (Hampshire), Stockton (Durham/North Yorkshire), Lydd (Kent), Southwick/Brighton (Sussex), Dartford Tunnel (Kent), Clipstone (Nottinghamshire), Duxhurst (Surrey), Wallasey (Merseyside), Lisnagarvey (County Antrim, Northern Ireland), Boston (Lincolnshire), Wrekenton (Newcastle), Postwick (Norfolk), Rusthall (Tunbridge Wells). talkSPORT requested flexibility to close these remaining sites when they considered them to have become unviable.
- 2.6 As set out in the consultation, Ofcom does not have the power to give talkSPORT advanced permission to perform a rolling programme of transmitter site closures on dates to be decided by talkSPORT. Therefore, Ofcom only considered talkSPORT's proposals to close four transmitter sites immediately. talkSPORT has been advised that it will need to submit

¹ The other two licences are held by Absolute Radio and Classic FM.

² https://www.ofcom.org.uk/consultations-and-statements/category-3/renewal-independent-national-radio-licences

new proposals to Ofcom should it wish in future to close any of the additional thirteen sites referenced above.

Legal Framework

Ofcom's statutory duties

2.7 The statutory duties that are of particular importance to assessing talkSPORT's proposals derive from the Communications Act 2003 (the "2003 Act") and the Broadcasting Act 1990 (the "1990 Act").

Our duties under the Communications Act 2003

- 2.8 Ofcom's principal statutory duty as set out in section 3 of the 2003 Act is to further the interests of citizens in relation to communications matters; and to further the interests of consumers in relevant markets, where appropriate by promoting competition. Ofcom is also required to secure (amongst other things):
 - a) the optimal use for wireless telegraphy of the electromagnetic spectrum;³
 - b) the availability throughout the UK of a wide range of television and radio services which (taken as a whole) are both of high quality and calculated to appeal to a variety of tastes and interests; and
 - c) the maintenance of a sufficient plurality of providers of different television and radio services⁵.
- 2.9 In performing our duties, we must have regard to those factors that appear to us to be relevant in the circumstances. In this case, we consider that "the different interests of persons in the different parts of the United Kingdom, of the different ethnic communities within the United Kingdom and of persons living in rural and in urban areas" is of particular importance (section 3(4)(I) of the 2003 Act).
- 2.10 In performing our duties, we are also required under section 3(3) of the 2003 Act to have regard in all cases to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed.

Our duties under the Broadcasting Act 1990

2.11 In addition, under section 85 of the 1990 Act, Ofcom is required to secure the provision of a diversity of national analogue services, of which one must consist mainly of speech and another must consist wholly or mainly of non-pop music.

³ Section 3(2)(a) of the 2003 Act.

⁴ Section 3(2)(c) of the 2003 Act.

⁵ Section 3(2)(d) of the 2003 Act.

talkSPORT's broadcasting licence

The reasonably practicable threshold for ensuring coverage

- 2.12 Condition 2(1) of the Broadcasting Licence requires talkSPORT to secure that its analogue radio service serves so much of the UK "as is for the time being reasonably practicable". This licence condition mirrors section 106(2) of the 1990 Act, which provides that:
- 2.13 "A national or local licence shall include conditions requiring the licence holder to secure that the licensed service serves so much of the area or locality for which it is licensed to be provided as is for the time being reasonably practicable".
- 2.14 The Broadcasting Licence requires talkSPORT to reach such coverage by broadcasting the licensed service from 22 transmitter sites. The location and technical characteristics of these transmitters are specified in the Broadcasting Licence (Parts II and III of the Annex).

Failure to comply with the coverage requirement

- 2.15 Failure to secure that the licensed radio service serves so much of the UK "as is for the time being reasonably practicable" may constitute a breach of Condition 2(1) of the Broadcasting Licence.⁷
- 2.16 The range of penalties that can be imposed on licensees for breach of a licence condition includes financial penalties, shortening the licence, suspending the licence or revocation. These penalties are set out in the statutory regime, together with procedural requirements, and mirrored in the Conditions set out in Part IV ('Conditions relating to enforcement of licences') of the Broadcasting Licence.

Licence Variations

2.17 Ofcom has a general power to make changes to broadcasting licences by means of serving a notice of variation on the licensee. This power is reflected in Condition 23 of the Broadcasting Licence. We must give the licensee a reasonable opportunity to make

⁶ This licence condition reads as follows: "The Licensee shall provide the Licensed Service specified in the Annex for the licence period and shall secure that the Licensed Service serves so much of the licensed area as is for the time being reasonably practicable."

⁷ We would investigate any such breach according to our Enforcement Guidelines. See Ofcom's "General procedures for investigating breaches of broadcast licences", 3 April 2017;

https://www.ofcom.org.uk/ data/assets/pdf file/0019/31942/general-procedures.pdf.

⁸ Sections 109-111 of the 1990 Act.

⁹ Section 86(5) of the 1990 Act. The 1990 Act provides that if Ofcom thinks that it would be reasonably practicable for a national service to be provided to an additional area falling outside the minimum area set in the award process, Ofcom can require the licensee to provide the service for that additional area (section 106(3)). However, the 1990 Act does not contain any specify provision for requests to reduce the minimum area.

representations before making the variation (Condition 23(1)(b) of the Broadcasting Licence). 10

talkSPORT's wireless telegraphy licence

- 2.18 talkSPORT also holds a licence issued under the Wireless Telegraphy Act 2006 (the "WT Licence") which authorises it to establish, install and use radio transmitting stations and/or radio apparatus (i.e. transmitters) in the same locations authorised under its Broadcasting Licence (i.e. 22 sites in total) for the transmission of the sound broadcasting service described in the Broadcasting Licence.
- 2.19 Condition 3 of the WT Licence allows Ofcom to vary this licence in specific circumstances, which include where the variation is "at the request of, or with the consent of, the Licensee" 11, and requires us to notify the licensee in writing or by a general notice in accordance with Schedule 1 paragraph 6 of the WT Act. Ofcom has a broad discretion under paragraph 6 of Schedule 1 of the WT Act to agree to vary licences, but legal rules operate to limit that discretion. In particular, according to paragraph 6A of Schedule 1 of the WT Act, any variation of a wireless telegraphy licence must be objectively justifiable.

Application of our relevant duties to assessing talkSPORT's proposals

Ofcom's task

- 2.20 Given the requirement set out in Condition 2(1) of the Broadcasting Licence (see paragraph 2.12 above), the main questions that we need to address are:
- 2.21 whether it remains reasonably practicable for talkSPORT to serve **93%** of the UK adult population with its analogue radio service; and
- if that level of coverage is no longer reasonably practicable, whether the combined effect of the measures that talkSPORT has proposed to take (i.e. a reduced coverage of **89.9%** of the UK adult population), would meet the "reasonably practicable" threshold set out in the licence conditions.
- 2.23 The "reasonably practicable" threshold entails a balancing exercise to ensure proportionality. To simplify, we put on one side any costs and other disadvantages involved in providing the service at the current level of coverage and, on the other side, the nature and extent of the risks involved if the current coverage of the service was reduced. In considering the various factors involved in this balancing exercise, we need to take account of our statutory duties.

¹⁰ This licence condition mirrors section 86(5)(b) of the 1990 Act. Condition 24 of the Broadcasting Licence specifies in which way we may give any notice of variation, including in electronic form (subject to the requirements set out in Sections 395 and 396 of the 2003 Act).

This licence condition mirrors Schedule 1, paragraph 8(2)(a) of the WT Act 2006.

¹¹ This licence condition mirrors Schedule 1, paragraph 8(2)(a) of the WT Act 2006.

Ofcom's decision in light of our statutory duties

- 2.24 We have considered the consultation responses and have decided to approve talkSPORT's reduction request for the reasons set out in section 3 of this document. We consider our decision complies with the statutory duties (2.7-2.11). In summary, this is because:
- 2.25 We consider that it is no longer reasonably practicable for the Licensee to continue to broadcast the service from 22 sites. The Licensee has demonstrated that it can continue to serve 89.9% of the UK through the provision of the remaining eighteen transmitter sites.
- 2.26 In these specific circumstances, we consider that broadcasting the licensed service to 89.9% of the UK adult population would still ensure optimal use of spectrum;
- 2.27 The availability of talkSPORT on alternative platforms (including digital radio, television¹² and internet) is likely to be sufficient to maintain a plurality of radio providers and radio services in the geographical areas affected by the proposals; and
- 2.28 The RAJAR figures provided by talkSPORT in their proposal have demonstrated the continued decline of listening to the talkSPORT service on the AM platform.
- 2.29 Removing reference to the transmitter sites that talkSPORT has proposed to close from its WT Licence (with effect from the date when talkSPORT intends to close them) would be objectively justifiable as it would align this licence with the Broadcasting Licence.

Impact assessment and equality impact assessment

2.30 The analysis presented in our consultation document constituted an impact assessment as defined in section 7 of the 2003 Act. Impact assessments and equality impact assessments provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of the best practice policy-making. As set out in our consultation document, while we identified potential impacts on certain groups with protected characteristics, we considered that there was sufficient mitigation in the context of this decision. We received one consultation response on the impact of switching off the AM service which focused on the affordability of listening to the talkSPORT service on other platforms.

Welsh Language Standards

2.31 The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language. In our consultation, we explained that we did not consider that talkSPORT's proposal to immediately close 4 transmitter sites would have any impact on opportunities for persons to use the Welsh language, or on treating the Welsh language no less favourably than the English Language for the following reasons. First, the proposal relates to talkSPORT's AM radio coverage area and does not relate to content provided by talkSPORT. Second,

¹² We recognise that the talkSPORT service will not be available on Freeview on all locations for which talkSPORT are proposing to remove their AM transmitter.

talkSPORT does not provide any Welsh language programming. Third, none of the transmitters that are proposed to be closed are in Wales. We asked for stakeholder views on our assessment and received two responses on this point – see paragraph 3.14 for further detail. Our assessment of the impact of talkSPORT's proposal remains that we do not consider that it will have any impact on opportunities for persons to use the Welsh language, or on treating the Welsh language no less favourably than the English language.

3. Ofcom's analysis and decision

- 3.1 talkSPORT has proposed to close four transmitter sites: Dumfries (Dumfries and Galloway), Kingston upon Hull (East Riding of Yorkshire), Fern Barrow (Bournemouth) and Greenside Scalp (Tayside). talkSPORT identified these four transmitter sites as sites that may already be unviable.
- 3.2 talkSPORT assert that they are committed to alerting listeners affected by the closure of the sites identified with targeted and timely communications aimed at migrating audiences to DAB, DTV and online platforms.
- 3.3 Ofcom has calculated that these changes would lead to the adult (aged 15+) UK population coverage of its licensed service being reduced from 93% to 89.9% and that 1.7 million adults in the UK would lose access to the AM service.
- 3.4 talkSPORT maintains that switching off the four requested transmitters will result in a relatively small reduction in the proportion of listeners who will no longer be able to receive the service on its AM reach, and the service in most of the areas will continue to be provided via DAB and across other available platforms.
- 3.5 talkSPORT notes that its analysis of Q3 2022 RAJAR data confirms the ongoing long-term decline in AM listening and that sites identified as closure priorities remain so as a result of the latest data. Based on current projections, talkSPORT asserts that its AM network may be completely unviable by early 2026.
- 3.6 talkSPORT has calculated using RAJAR data focused on listening hours of the talkSPORT service, indicated in the graph on page 1 of its proposal (which can be seen in Annex 6 in the consultation), a decline in AM listening of 50% in the last three years. 14

Summary of consultation responses

3.7 On 17 February 2023,¹⁵ we published a consultation document setting out that we were minded to accept talkSPORT's proposals which entails the closure of the four sites, given the decline in analogue listening and the number of listeners likely to be affected by the proposed changes.

¹³ talkSPORT's response to Ofcom's request for further information - <u>Annex 6: talkSPORT's response to Ofcom's questions asked</u>

¹⁴ talkSPORT's full proposal can be found at [https://www.ofcom.org.uk/consultations-and-statements/category-3/consultation-talksport-proposals-to-reduce-am-coverage]

¹⁵ https://www.ofcom.org.uk/ data/assets/pdf_file/0018/254061/Consultation-talkSPORT-proposals-reduce-AM.pdf

- 3.8 We received six responses to this consultation, four of which were confidential.

 Non-confidential responses are available on our website. 16
- 3.9 Four respondents (two confidential respondents, and Rhys Jenkins and Oliver Mundell MSP) disagreed with talkSPORT's proposals. The main points raised by these respondents were as follows:
- 3.10 Rhys Jenkins said that it is frustrating that he will be unable to listen to many stations in his car based on potential future changes to talkSPORT's Wrekenton transmitter in Gateshead. He questioned, noting Absolute Radio leaving AM in January of this year and talkSPORT's intention to reduce its AM service, how people will be able to listen to the talkSPORT service in Newcastle on older car radios. He also asked whether talkSPORT can explore an FM licence instead of AM.
- 3.11 Oliver Mundell MSP (Member of the Scottish Parliament for Dumfriesshire) stated that he does not agree with switching off the Dumfries transmitter at this time, as the lack of DAB and poor internet and mobile connectivity will leave listeners with a reduced offering. He also said that the equality of access to services in rural areas needs to be weighed into the balance and that he is not convinced that focusing purely on listener numbers and cost adequately does so.
- 3.12 One confidential respondent stated that at present they are not directly affected by talkSPORT's plans to reduce further coverage. However, they noted that they only have reliable access to seven radio stations including talkSPORT. This respondent said that the continued reduction of Medium Wave is reducing the number of stations they are able to listen to. Some of the areas they have lived in have had poor or sometimes no DAB signal. The respondent mentioned the loss of Absolute Radio on Medium Wave recently and went further to state that even on the assumption that DAB signal is available, it would be too costly for them to upgrade to this platform. Whilst the respondent is able to listen to the service online, it would need to be within broadband coverage as mobile phone connections are patchy and the cost of mobile data is high. Therefore, their only option is to stop listening to stations which abandon Medium Wave.
- Another confidential respondent stated that they do not regularly listen to talkSPORT but listen to other AM stations, and are concerned about the operating costs for an AM service increasing as the number of AM service operators decreases. Therefore, the respondent argued that permitting talkSPORT to reduce its AM coverage will have an adverse effect on all the AM operators. The respondent notes the recommendation for AM to migrate in the DCMS Digital and Audio Review study from 2021 but thinks this is ill conceived as the most common argument used against AM services is their high energy usage which is from the perspective of the operators but does not consider the

¹⁶ https://www.ofcom.org.uk/consultations-and-statements/category-3/consultation-talksport-proposals-to-reduce-amcoverage

"overall" energy usage. They went further to explain that "while the energy costs for operating an AM transmitter will be higher than that of a web server offering an IP-based internet radio stream, the latter option has a significantly higher overall power usage compared to the battery-powered AM sets which are common. This is because the entire "pipeline" of the IP-distribution, which by its nature is not a broadcast medium, [must] be considered. Piping a stream to each individual user requires substantial energy usage in data centres, ISPs, and consumer routers and IP-stream receivers." Therefore, they suggested that the argument that AM has higher energy consumption is a red herring. The respondent's final point was in relation to maintaining the ability to broadcast from AM being vital for emergency and disaster situations. The respondent stated that they were not directly opposed to the reduction of the talkSPORT service but were concerned about the effect this will have on the wider UK AM broadcasting sector.

- In response to the question regarding the impact on the Welsh Language, Rhys Jenkins agreed that that there will be no impact on opportunities for persons to use the Welsh language or on treating the Welsh language no less favourably than the English language because this proposal relates to AM coverage area. Further, none of the transmitters affected are located in Wales. One of the confidential respondents stated that they are unsure on how this question is relevant as they are not aware of talkSPORT broadcasting programmes in the Welsh Language. However, they are aware that there is some overspill from stations in England into Wales and vice versa and closure of transmitter sites on either side of the border is likely to have indirect impacts on those who still rely on analogue broadcasts for radio, especially rural areas. We note that the four transmitters that talkSPORT proposes to shut down are not located close to Wales. Therefore, the issue of overspill from stations in England into Wales does not apply in these circumstances.
- 3.15 One confidential respondent agreed that talkSPORT should be permitted to close down the four transmitter sites, but not for the reasons set out in the consultation. This respondent made representations about the future of AM broadcasting, and raised concerns about factual points and arguments Ofcom made in the consultation. These arguments and issues were outside of the precise scope of this consultation.
- 3.16 Another confidential respondent stated that it had no issues with talkSPORT's proposal to vacate its Medium Wave frequencies. The respondent raised the question "Does Ofcom have a policy concerning the future of the use of medium wave in the UK?" This question and the commentary which followed were outside the precise scope of this consultation.
- 3.17 Below we assess the arguments presented by respondents and outline the conclusions we have reached.

Ofcom's assessment and conclusions

Compliance with licence condition

- 3.18 As already noted in Section 2 (paragraph 2.12), Condition 2(1) of the Broadcasting Licence requires that the licensed service serves so much of the UK "as is for the time being reasonably practicable."
- 3.19 In our view, beyond considerations of what is technically and logistically possible in terms of transmission provision (for example, the availability of suitable transmission sites), the "reasonably practicable" threshold is a balancing exercise to ensure proportionality. To simplify, we put on one side any costs and other disadvantages involved in providing the service at the current level of coverage and, on the other side, the nature and extent of the risks involved if the current coverage of the service was reduced.
- 3.20 According to Ofcom's estimates, around 3.1% of the adult UK population (1.7 million adults aged 15+) would no longer be able to receive talkSPORT on AM.
- 3.21 We also note the long-term decline in the popularity of listening to the AM band, and that many of those who would lose the ability to access the talkSPORT AM signal would be able to continue to receive talkSPORT via national DAB digital radio. In the relatively few areas where reception of the national Digital One multiplex is unavailable and where DAB coverage is particularly low, there are further options to listen online, or via television (the station is available on the Freeview, Sky and Virgin Media platforms in certain areas).
- 3.22 Further, Ofcom notes that talkSPORT have committed to alerting affected listeners "with effective, targeted and timely communications with a view to migrating them to our DAB, DTV and online platforms". Ofcom considers that this approach will help mitigate the disenfranchisement of these listeners appropriately by providing them with sufficient time to consider and migrate to the most appropriate platform for them to continue to listen to the talkSPORT service.
- 3.23 Rhys Jenkins said "can talkSPORT explore an FM licence instead of AM". We consider this to be a decision for talkSPORT and outside the scope of this Statement.
- 3.24 We have considered the comments made by the respondents who disagreed with Ofcom's Preliminary View, which include arguments in relation to the impact on listeners. We address these comments below in balancing the specific impact this decision will have on them, versus the impact this would have on the broadcaster:
- 3.25 We note that the response received by Rhys Jenkins refers to a transmitter (Wrekenton) which was not considered in this consultation but is part of talkSPORT's future switch off plans. We acknowledge his comment on the impact

on listeners in this area but note that the concern raised is not relevant to this specific proposal. Overall, we believe talkSPORT will continue to provide "good national coverage on AM", the licensed service will continue to broadcast to 89.9% of the UK adult population. We also note that many of those who would lose the ability to access the talkSPORT AM signal would be able to continue to receive talkSPORT via national DAB digital radio or via the other platforms we have highlighted.

- 3.26 We note the response received by Oliver Mundell MSP focused specifically on the transmitter situated in Dumfries and Galloway. While we acknowledge that DAB coverage in this area is low and the service is not widely available on Freeview, we recognise that listeners would still be able to access this service on the internet, while the talkSPORT service does not provide targeted programming specifically for listeners in the area of Dumfries and Galloway. We discuss this further at paragraphs 3.30-3.34.
- 3.27 We note the confidential respondent who raised concerns regarding how this decision could impact the operating costs of other AM services, should the proposal from talkSPORT be approved by Ofcom. However, we note that no other AM broadcaster either raised concerns regarding this matter, nor provided any evidence of this possibility in response to the consultation. Further, talkSPORT stated that it would expect any impact on other AM broadcasters to be limited given the limited transmitter site overlap with local radio services. In these circumstances, we consider that it would be inappropriate to prevent talkSPORT from implementing its proposals because of potential impact on the operating costs of other AM services.
- 3.28 In its proposal, talkSPORT asserted that the four transmitter sites that it proposed to close down may already be commercially unviable. In making this assertion, talkSPORT assessed the commercial value of continuing to operate these transmitter sites through the listening hours against the cost of operating each relevant transmitter site. Ofcom agrees that the information provided by talkSPORT demonstrates a reduction in listening on the AM platform, while Ofcom is aware of the significant costs associated with maintaining an AM transmitter network, particularly when considering the current rise in the cost of energy.
- 3.29 While we acknowledge that this decision will result in the disenfranchisement of some listeners on the AM platform, Ofcom's analysis has identified that a significant proportion of listeners would still be able to access the service on a variety of different platforms. Our conclusion is that this mitigation would, to some extent, offset the total disenfranchisement of AM listeners on the network. Further, we agree that it is no longer reasonably practicable for talkSPORT to continue to maintain these four transmitter sites, when the listening figures they provided to Ofcom in the course of its proposal demonstrated the significant decline in analogue listening and the increase of listening on other platforms.

Impact on listeners

- 3.30 Based on the information provided to Ofcom by talkSPORT, the proposed changes would have the following effects:
- a) the proposed changes would result in about 1.7 million¹⁷ of UK adults aged 15+ losing their ability to receive talkSPORT's AM signal;
- b) of these, about 1.3 million¹⁸ would instead be able to listen to talkSPORT on DAB digital radio;
- c) therefore, around 270,497¹⁹ UK adults aged 15+ would lose AM coverage and would also not have the option of listening to talkSPORT on DAB digital radio. However, they are likely to be able to listen to talkSPORT via the internet and other digital platforms.
- d) in the case of Dumfries, maps provided by talkSPORT illustrate that the removal of the Dumfries transmitter will not be mitigated by DAB coverage. We note from talkSPORT's listening figures²⁰ in the Dumfries Target Service Area (the "TSA") that only a small proportion of listeners access the service on AM. AM accounts for 6% of listening within the Dumfries AM transmission area, while 75% of AM listening in the area is incar. However, this is likely to be higher in areas in the Scottish parts of the TSA given there is limited DAB and Freeview coverage. This would leave the internet as the predominant platform on which the service can be accessed.
- 3.31 Oliver Mundell MSP made the point that listeners in this area would have a reduced offer if this proposal was approved due to the poor internet and mobile connectivity in the area. While we acknowledge that there is room for coverage of both fixed and mobile broadband in the south of Scotland to go further, Ofcom's most recent Connected Nations report shows that there has been an improving picture in recent years.²¹
- 3.32 In the constituency of Dumfriesshire, 4G coverage across all four MNOs stood at 62% in September 2022 (and at 89% for at least one provider), up from 57% in 2019. This is likely to improve further in the coming years with further builds planned as part of the Scottish Government's 4G infill programme in the south of Scotland and through the UK Government's Shared Rural Network.
- 3.33 Similarly regarding fixed broadband, 89% of premises in Dumfriesshire had access to a superfast connection of at least 30Mbit/s in September 2022, up from 85% three years ago in 2019. Public interventions such as the Scottish Government's Reaching 100% programme (which although a superfast programme has in practice resulted in gigabit speeds in the South and Central lots) and the UK

¹⁷ This figure has been calculated using WT Act population figures from the 2001 census data

 $^{^{\}rm 18}$ This figure has been calculated using 2011 census data

¹⁹ This figure has been calculated using 2011 census data

²⁰ For more information on talkSPORT's analysis on listening figures in this area, please see the link titled "talkSPORT listenership Dumfries" in Annex 6.

²¹ Data taken from Ofcom's <u>Connected Nations 2022: Interactive report</u>.

- Government's Project Gigabit scheme (plus other recent voucher schemes and developments such as City Region Deals with digital elements) may help see this improve further in the coming years.
- 3.34 As such we consider that there is suitable broadband coverage in Dumfriesshire at the moment to allow listeners to access talkSPORT over the internet at this time.
- 3.35 We also had regard to the confidential respondent who said that, although not directly by talkSPORT's plan to reduce coverage, they would in future be unable to listen to services who switch off their services on the AM platform, despite the service being available on DAB, due to the costs involved upgrading to this platform. While we recognise that accessing DAB may prove unaffordable for some listeners, we do not have evidence to suggest this issue is widespread in the areas where talkSPORT will no longer be available on AM (or elsewhere) and as such we consider it would be disproportionate to require talkSPORT to sustain the costs of continued AM broadcasting at the relevant transmitter sites.

Assessment against Ofcom's statutory duties

- 3.36 As noted in Section 2, in considering whether talkSPORT would remain compliant with its licence conditions, we also need to take account of Ofcom's wider statutory duties.
- 3.37 Ofcom's principal statutory duty as set out in section 3 of the 2003 Act is to further the interests of citizens in relation to communications matters; and to further the interests of consumers in relevant markets, where appropriate by promoting competition. Ofcom is also required to secure (amongst other things): the optimal use for wireless telegraphy of the electromagnetic spectrum; the availability throughout the UK of a wide range of television and radio services which (taken as a whole) are both high quality and calculated to appeal to a variety of tastes and interests; and the maintenance of a sufficient plurality of providers of different television and radio services.
- 3.38 In considering the need to secure **optimal use of spectrum**, while we recognise that the implementation of talkSPORT's proposals would mean around 3.1% of the adult UK population would no longer be able to receive talkSPORT on its AM network, talkSPORT would continue to use the relevant spectrum to broadcast to a high proportion (89.9%) of the UK adult population. Therefore, we consider that, in these circumstances, talkSPORT's proposal to continue to broadcast its licensed service to 89.9% of the UK adult population would secure optimal use of spectrum.
- 3.39 Regarding the need to ensure **plurality of services and providers**, we note that Ofcom licenses a wide variety of television and radio services across the UK, on a range of different platforms, with a variety of different programme formats. As

- previously noted, the vast majority of talkSPORT's listeners affected by its proposals would be able to re-tune to the service on national DAB radio. We also
- 3.40 note that the availability of talkSPORT on alternative broadcast platforms (i.e. on Freeview, Sky and Virgin Media platforms) and on the internet would further contribute to mitigating any potential adverse impact on consumers. Finally, as set out in paragraph 3.30(d), we do note that there is more of a plurality question in the Dumfries and Galloway location due to the lack of availability of the talkSPORT service across DAB and Freeview, though listeners in this area would still be able to access the service on the internet.

Licence Variations

3.41 Therefore, we have decided to accept talkSPORT's proposals and remove reference to the four transmitter sites that talkSPORT has proposed to immediately close from its Broadcasting Licence and WT Act Licence, with effect from the date when talkSPORT intends to close them.