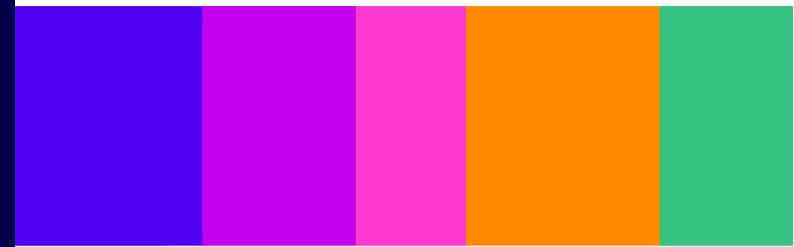


## Local radio licence renewal: request from Sunrise Radio to add its Greater London AM licence to the list of "approved licences"

Statement on permitting a local licence to be renewed based on the nomination of a national DAB service

Statement

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A1. Background and legal framework
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# 1. Overview

- 1.1 Local analogue (i.e. AM or FM) commercial radio licences can be renewed for periods of seven, five, and ten years if the licensee is providing a local digital sound programme service on a 'relevant' local or small-scale radio multiplex service, or a national digital sound programme service on a national radio multiplex service. The period for which the licence can be renewed depends on when the licence was last granted following advertisement or re-advertisement, and/or how many times it has previously been renewed.
- 1.2 Ofcom can renew a local licence if certain conditions in sections 104A 104AB of the Broadcasting Act 1990 (the 1990 Act) are met. For example, Ofcom can renew a local licence in return for the provision of a national digital sound programme service (a "national nomination") if that licence has been approved by Ofcom for that purpose.
- 1.3 Ofcom's policy in relation to "approved licences", and further information regarding "national nominations", can be found in the <u>Analogue licence renewals and national DAB</u> stations addendum document.
- 1.4 Sunrise Radio (London) Limited (Sunrise Radio), holder of the Greater London AM licence broadcasting on 963 and 972 KHz, submitted a request to Ofcom for its licence to be "approved" for the purposes of licence renewal. This would allow Sunrise Radio to nominate the digital sound programme service it is already providing nationally as the basis on which Ofcom can renew its local analogue licence. As required by section 104AA(7) of the 1990 Act, Ofcom consulted on this request in September 2023.<sup>1</sup> This document sets out our decision in relation to whether to "approve" Sunrise Radio's licence.

#### What we have decided - in brief

We have decided to approve Sunrise Radio's Greater London AM licence, broadcasting on 963 and 972KHz, for the purposes of licence renewal because:

- as an AM licence, the service already has the flexibility to be national rather than local in character;
- as a licence for Greater London, it offers coverage of a large geographical area akin to that of a 'regional' FM licence, all of which we have previously "approved" for the purposes of licence renewal; and
- the service is already broadcasting nationally on DAB, and thus there is unlikely to be any adverse impact on listeners.

<sup>&</sup>lt;sup>1</sup> Ofcom, September 2023. <u>Consultation: Local radio licence renewal: request from Sunrise Radio to add its</u> <u>Greater London AM licence to the list of "approved licences"</u>.

# 2. Our consultation proposal

- 2.1 In September 2023 we consulted on Sunrise Radio's request to add the Greater London AM licence broadcasting on 963 and 972 KHz to the list of "approved licences". This would allow Sunrise Radio to apply for renewal of the licence on the basis of its provision of a national digital service.
- 2.2 In its request for its Greater London AM licence to be approved, Sunrise Radio said it "currently simulcasts its London AM service on the Sound Digital National Multiplex" which, in its view, satisfies the requirements set out in the 2010 Statement on Commercial Radio Localness Regulation<sup>2</sup> and updated by the addendum 'Analogue Licence Renewals and National DAB Stations'.<sup>3</sup> It also stated its view that approval of the licence "would be consistent with the rationale and policy objectives set out in the addendum".
- 2.3 In the consultation, we set out our 'Preliminary view' that we were minded to agree to the request this included consideration of the localness guidelines<sup>4</sup> and the fact that AM stations are not generally required to produce locally-made programmes (although we expect at least 10 hours during weekday daytimes to be broadcast from within the UK nation where the station is based), nor broadcast local material.
- 2.4 We also considered the fact that Sunrise Radio's Format requires at least four hours of programming each day during weekday daytimes and weekends to be broadcast from within its licensed area of Greater London, and the overall 'character of service' is described as "A MUSIC-LED SERVICE FOR LONDON ASIANS PRIMARILY TARGETING THOSE AGED 15 TO 34 WITH A MIX OF ASIAN MUSIC AND OTHER MORE MAINSTREAM MUSIC WHERE APPROPRIATE."
- 2.5 Of com did not consider that these licence requirements indicated a need for Sunrise Radio to exhibit a specific local character in the way a locally-focused service for a smaller geographical area would be required to. Rather, they reflect the circumstances of where the station is based. The primary purpose of the service is clearly to serve Asian listeners.
- 2.6 We also acknowledged that Ofcom has already approved the eight Greater London licences which allow for broadcasting on FM for the purposes of becoming national services on DAB and seeking licence renewal on that basis. We could not see any reason why any of the Greater London licences which allow for broadcasting on AM should be treated differently in this respect.
- 2.7 In addition, as the service is already broadcasting to London on AM, as well as nationally on DAB, Ofcom was of the view that approving the request would be unlikely to adversely impact London listeners.
- 2.8 Of com was therefore minded to approve the request to add the Greater London AM licence held by Sunrise Radio to the list of "approved licences" for the following reasons:
  - as an AM licence, the service already has the flexibility to be national rather than local in character;

<sup>&</sup>lt;sup>2</sup> Ofcom, April 2010. <u>Statement on commercial radio localness regulation</u>.

<sup>&</sup>lt;sup>3</sup> Ofcom, April 2010. <u>Addendum: Analogue Licence Renewals and National DAB Stations</u>.

<sup>&</sup>lt;sup>4</sup> Ofcom, May 2021. <u>Localness guidelines for commercial radio stations</u>.

- as a licence for Greater London, it offers coverage of a large geographical area akin to that of a 'regional' FM licence, all of which we have previously "approved" for the purposes of licence renewal;
- the service is already broadcasting nationally on DAB, and thus there is unlikely to be any adverse impact on listeners.

# **3. Responses to the consultation and our decision**

- 3.1 We received four responses to the consultation. Two consultation responses agreed with and supported Ofcom's preliminary view to approve the request from Sunrise Radio to add its Greater London licence to the list of "approved licences". These responses were received from Arqiva and Mr Philip England. The other two responses made points which did not relate to the subject of the consultation and thus have not formed part of our considerations.
- 3.2 Non-confidential responses are available on our website.<sup>5</sup>

### Ofcom's conclusion and decision

- 3.3 Following receipt of the responses, our preliminary view has not changed.
- 3.4 We consider that the proposed changes are consistent with existing policy regarding the flexibility of content required to be broadcast on AM; consistent with policy decisions regarding similarly-sized 'regional' FM broadcast services; and that the change will not adversely affect listeners of the AM service in Greater London.
- 3.5 Ofcom's decision is to add Sunrise Radio's Greater London AM licence broadcasting on 963 and 972 KHz to the list of "approved licences".
- 3.6 Following publication of this statement, Sunrise Radio will be the holder of an "approved licence" which will entitle it in future to submit an application to Ofcom for renewal of its local analogue commercial licence on the basis of a "national nomination" (see paragraphs 1.1 to 1.4 above), should it wish to do so.

<sup>&</sup>lt;sup>5</sup> Ofcom, October 2023. <u>Consultation responses: Local radio licence renewal: request from Sunrise Radio</u>.

### A1. Background and legal framework

### Statutory framework

- 1.1. Under the provisions of sections 104A and 104AA of the Broadcasting Act 1990, as amended,<sup>6</sup> the holder of a local analogue (i.e. FM or AM) commercial radio licence who is providing a local digital sound programme service on a 'relevant' local or small-scale radio multiplex service can apply for a renewal of the analogue licence.
- 1.2. A 'relevant' local radio multiplex service is one with a licensed area that provides actual or potential coverage in digital form to 25% or more of the adult population within the measured coverage area (MCA) of the analogue local licence in question. A 'relevant' small-scale radio multiplex service is one with a coverage area which includes at least 25% of the adult population within the MCA of the analogue licence in question.
- 1.3. The holders of certain local analogue commercial radio licences ("approved licences") can choose to apply for renewal on the basis of a "national nomination", i.e. to nominate a national digital sound programme service that they will provide and a national radio multiplex service on which they will provide it, rather than a local digital sound programme service and a 'relevant' local or small-scale radio multiplex service.
- 1.4. The period for which a local licence can be renewed depends on when the licence was last granted following advertisement or re-advertisement, and/or how many times it has previously been renewed.
- 1.5. Section 104AA of the Broadcasting Act 1990 allows for a local licence to be renewed on three occasions, for periods of seven, five, and ten years. The Legislative Reform (Renewal of Radio Licences) Order 2020 has amended section 104AA so that a licence can be renewed on three occasions if it has previously been renewed under section 104A, or if it was last granted on or after 8 April 2010.
- 1.6. The combined effect of these statutory provision is that any local licence is eligible to be renewed, provided the relevant requirements are met.

### "Approved licences"

1.7. Since 2010, the following regional FM stations have been able to apply to Ofcom to cease having to provide local material and locally-made programming as long as they are providing a version of that programme service nationally on DAB.

<sup>&</sup>lt;sup>6</sup> By the <u>Digital Economy Act 2010</u>, <u>The Legislative Reform (Further Renewal of Radio Licences) Order 2015</u> and <u>The Legislative Reform (Renewal of Radio Licences) Order 2020</u>.

Station	Region(s)
Greatest Hits Radio	London, West Midlands
Capital	London, North East, Central Scotland, Yorkshire
Gem	East Midlands
Heart	London, West Midlands, Central Scotland, North East, North West, Yorkshire, South Wales, North & Mid Wales.
Kiss	London, East of England, Severn Estuary
LBC 97.3	London
Magic	London
Nation Radio	Solent
Nation Radio	South Wales
Radio X	London
Smooth Radio	London, East Midlands, West Midlands, North East, North West
Wave 105/Greatest Hits Radio	Solent

1.8. This policy<sup>7</sup> is designed to enable and encourage enhanced choice and competition in radio broadcasting on a UK-wide basis, and in particular has the following benefits:

- A possible increase in UK-wide commercial radio services with the resources to provide higher quality programming, so offering a better consumer proposition.
- Enhanced choice and competition at all locations, offsetting any 'under-provision' of services that may have been a consequence of a limited number of regional stations in any one locality.
- Cost savings for existing regional stations which would no longer have to maintain regional bases or regional programming, freeing up resources to invest in high quality UK-wide content.
- The possibility that relevant stations could provide UK-wide services but still offer some regionalised output and advertising, allowing stations the choice to offer such 'local' output. This proposal would therefore not necessarily forego the consumer and citizen benefits of localness, and the public purposes and strategic aims its provisions fulfil.
- 1.9. To ensure that any such stations can still apply for, or maintain, licence renewal, as noted above the legislation allows them to nominate a national DAB service instead of a local one as the basis of the renewal. Ofcom can grant such a renewal provided the national DAB

<sup>&</sup>lt;sup>7</sup> As set out in <u>Statement on commercial radio localness regulation</u>, 15 April 2010.

service and the regional FM service are substantially the same.<sup>8</sup>

- 1.10. This option to make a national nomination is restricted to licences approved by Ofcom, following consultation.
- 1.11. Sunrise Radio (London) Limited has made a request to Ofcom for its Greater London AM licence to be approved so that it may make a national nomination as the basis of its local analogue commercial licence renewal.
- 1.12. In our <u>Analogue licence renewals and national DAB stations addendum</u>, we said any station whose licence has not been "approved" for the purposes of licence renewal could ask for their licence to be so approved, and that we would have to consult on any such request. We also set out our rationale and objectives for approving licences for this purpose, and said that requests will only be granted in exceptional circumstances, such as where the licensee satisfies us that approval of their licence would be consistent with that rationale and those objectives.

The overview section in this document is a simplified high-level summary only. The decisions we have taken and our reasoning are set out in the full document.