

**nation
radio**

FM • Online

**An application for the Ceredigion FM
licence from Radio Ceredigion Ltd**

**July 2018
Nation Radio**

**nation
broadcasting**

Contents

Page

3	Executive Summary
5	General Information
6	Section 105 (A): Ability to maintain proposed service
15	Section 105 (B) & (C): Catering for tastes and interests/broadening choice.
18	Section 105 (D): Evidence of demand or support
26	Declaration

Executive Summary

Radio Ceredigion Ltd is pleased to submit this licence re-application.

Since Radio Ceredigion launched in 1992, the UK commercial radio market has changed beyond all recognition. Innovations in how listeners consume radio and audio, alongside the opportunities that reduced regulation brings, have all contributed to how local radio is made and listened to. The challenges for local radio broadcasters are significant, particularly in small, rural markets such as Ceredigion where there are real questions over the viability of maintaining localised services.

Radio Ceredigion's parent company, Nation Broadcasting, is the largest commercial radio operator in Wales and currently operates a local service in Ceredigion. The existing service has consistently underperformed in audience delivery and commercially, compared to Nation Broadcasting's other local services. A combination of extremely high transmission costs relative to the available population, a challenging economic environment, a general increase in competition for audience time from music streaming services, online stations and national DAB services, and a soon to launch community station, have led us to re-appraise how we can best serve listeners in Ceredigion. Our solution is to bring Nation Radio, the Welsh national commercial radio service, to Ceredigion.

Nation Radio will provide a distinctive, Welsh-in-Character service that will clearly broaden local listener choice in Ceredigion. With 55% of its music coming from the 1980s and earlier, Nation Radio will demonstrably extend listening choice and offer a greater breadth and variety of music than Heart. Our monitoring found that less than 1% of Heart's music is from the 1980s or earlier. Our audience appeal will be older and broader than Heart, with a softer, less contemporary character. Whilst the majority of Heart's daytime output comes from London, 100% of our daytime output originates from Wales, with news, weather and information provided throughout the day. Nation Radio can already be heard on FM in Pembrokeshire and Carmarthenshire, adjacent counties with shared cultural and historical links through the historic county of Dyfed and a shared DAB multiplex area. Nation Radio is also available on DAB in North Wales.

In making this application, we considered the requirements set out in section 105 of the Broadcasting Act 1990, namely;

a) the ability of each of the applicants for the licence to maintain, throughout the period for which the licence would be in force, the service which he proposes to provide.

As one of the smallest licence areas in the UK, with extremely high costs of transmission across a huge rural area, the ability to maintain its proposed service is a key consideration of this application. A new licensee will face significant up-front costs: transmission, studios and staff. Radio Ceredigion have no additional costs in continuing to provide a service, as Nation Radio is already operating within the wider group.

Having operated Radio Ceredigion since 2010, we know its economic limitations and we have proved our ability to maintain it. With a community station launch imminent, we do not believe the available revenue in the market can support more than one local service. Prior to our ownership, every operator of this licence failed to complete its licence term. There is no evidence to suggest that this licence could be run as a standalone business. Nation Broadcasting can maintain this licence with ongoing access to national revenue streams - essential for viability - alongside our existing local commercial relationships.

b) the extent to which any such proposed service would cater for the tastes and interests of persons living in the area or locality for which the service would be provided, and, where it is proposed to cater for any particular tastes and interests of such persons, the extent to which the service would cater for those tastes and interests.

Nation Radio is an existing and established Welsh national radio service with a track record in adjacent and other Welsh markets. Nation Radio will clearly broaden listener choice in Ceredigion by offering a music service that will specifically appeal to older listeners, alongside relevant speech and information, provided from studios and staff based in Wales.

Nation Radio will clearly serve local tastes and interests in Ceredigion through its Welsh outlook and character. As evidenced in other areas of Wales, Nation Radio provides a popular mix of music, news, and information of appeal to a broad adult audience. We expect Nation Radio to have similar appeal in Ceredigion.

c) the extent to which any such proposed service would broaden the range of programmes available by way of local services to persons living in the area or locality for which it would be provided, and, in particular, the extent to which the service would cater for tastes and interests different from those already catered for by local services provided for that area or locality; and

Nation Radio will significantly extend local listening choice. Heart's format targets a narrow 25-54 demographic against Nation's broader 15+ target, including those aged 55 and over.

Our content analysis demonstrates that we will provide a music format that is more varied and older in character and complementary to Heart. Our monitoring found that less than 1% of Heart's music is from the 1980s or earlier. 55% of Nation's music is from the 1980s and earlier, offering a significant new choice for listeners. Music is consistently stated in radio research as the most important content element for listeners and we will have a clear musical point of difference to Heart.

With all of our daytime programming produced from studios in Wales, Nation is also distinctive to Heart, where the majority of its daytime output is networked from London.

d) the extent to which there is evidence that, amongst persons living in that area or locality, there is a demand for, or support for, the provision of the proposed service.

To assess the appeal of our proposed music output, we reviewed the research findings of our 2012 application. Music from the 1980s and 1970s were the most popular decades, proving there is demand from local listeners for our proposed variety of older music. Furthermore, the performance of Nation Radio in other Welsh markets demonstrates evidence of demand.

In terms of speech, we will provide proven, popular elements including news, weather, travel and information.

We have received expressions of support from advertisers, businesses and media owners in Ceredigion and we look forward to working with these stakeholders as we build their new commercial radio station.

General information

(a) Name of Applicant, Address, Telephone and E-mail address

Note for new applicants: This must be a single legal entity: either a body corporate or a named individual person. If the former, a copy of the certificate of incorporation must be included with the application.

Radio Ceredigion Limited

(Certificate of incorporation is included in the confidential appendix).

(b) Main Contact (For Public Purposes)

Please nominate at least one individual to deal with any press or public enquiries, stating:

Name: Martin Mumford

Telephone (daytime): 02921 414100

Address: Nation Broadcasting, St Hilary Transmitter, Cowbridge, CF71 7DP

E-mail address: martin.mumford@nationbroadcasting.com

(c) Station Name (if decided)

Nation Radio

(d) Main Contact (For Ofcom Purposes)

Please nominate one individual to whom questions of clarification and/or amplification should be sent, stating:

This information is provided in the confidential appendix.

This information may be submitted in confidence, separately from the other responses in this section.

Section 105(A): Ability to maintain proposed service

1. Ownership and control of company which will operate the licence

(a) Board of Directors

i) Provide the name, occupation, other directorships, other media interests, and, if not a director of an existing Ofcom radio licensee, the relevant media experience, of each director (executive and non-executive), including the proposed chairperson.

Jason Bryant

Executive Chairman

Nation Broadcasting Ltd

Directorships

Nation Radio Ltd, Haven FM (Pembrokeshire) Ltd, Radio Carmarthenshire Ltd, Nation Broadcasting Ltd, Radio Ceredigion Ltd, Bridge FM Radio Ltd, Swansea Bay Radio Ltd, MuxCo North East Wales & West Cheshire Ltd, MuxCo Wales Ltd, MuxCo North Wales Ltd, Digital Broadcast Technologies Ltd, Radioscape Ltd, MuxCo Suffolk Ltd, Nation Resources Ltd, Nation Digital Ltd, Country Broadcasting Ltd, Nation Radio London Ltd, Bristol Sound Ltd, Dragon Radio Ltd, Nation Radio Scotland Ltd, Sun FM Ltd, Ipswich 102 Ltd

Jason founded Nation Broadcasting in 2001 and has overseen its growth into a successful media business with interests across the UK. Headquartered in Wales, Nation operates a number of local and regional commercial radio stations and DAB multiplex licences. Nation has a growing digital media business and is the lead investor in Factum Radioscape, the world's largest DAB multiplex software provider.

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 skill-set including programming, finance, scheduling, sales, HR and engineering. Martin has overseen the launch, acquisition and integration of many new businesses into the group and is responsible for the operational management of Nation Broadcasting.

ii) If there are firm plans to appoint any further directors, provide information (with details of any specific individuals in mind). This information may be submitted in confidence.

There are no plans to appoint further directors.

(b) Investors and Shareholding Structure

i) Full details of the shareholding structure should be provided, including:

ii) Names and addresses (the latter may be submitted in confidence) of all existing or proposed shareholders.

iii) Total number, class/classes of shares and issue price of shares (specify voting, non-voting, preference, other etc.).

iv) All voting shareholders and holders of 5% or more of non-voting shares and loan stock should be named. State the number, class/classes and price of shares to be issued to each investor.

v) Outline any shareholders agreements or arrangements which exist.

vi) Where a corporate body other than a current Ofcom licensee will be providing 30% or more of the required funding, details should be given of its directors and main shareholders, and of its activities. Ofcom may request additional information (e.g. a banker's letter, statutory/management accounts) regarding the shareholders, or any other providers of finance, listed in the application.

There are 100 ordinary £1 shares issued in Radio Ceredigion Ltd.

Radio Ceredigion Ltd is the existing Ofcom licensee and is a wholly owned subsidiary of Nation Broadcasting Ltd.

Ofcom holds the details of the broadcasting interests and shareholding structure of Nation Broadcasting Ltd.

(c) Involvement of the Applicant in Specified Activities

Details are required of the involvement by the applicant and its participants (including shareholders or other subscribers of more than 5% of the applicant's total funding requirements) in any of the activities listed below, and the extent of the interest. For these purposes, the applicant includes associates of the applicant (i.e. directors and their associates and other group companies).

- i) Advertising agencies;
- ii) Newspapers;
- iii) Other broadcasting interests;
- iv) Bodies whose objects are wholly or mainly of a religious nature;
- v) Bodies whose objects are wholly or mainly of a political nature;
- vi) Local authorities;
- vii) Other publicly-funded bodies.

* Applicants should note that this information is required for the purposes of checking compliance with the ownership rules, and is not relevant to an applicant's ability to maintain its proposed service. If none of the categories above apply to the application this should be clearly stated.

Radio Ceredigion Ltd is an existing licensee and a wholly owned subsidiary of Nation Broadcasting Ltd.

Neither company is involved in any activities listed above, save for iii), the Group's other broadcasting interests, which have been previously declared to Ofcom.

2. Financial and business plan

(a) Overall Financial Strategy

Provide a concise (maximum 500 words) summary of how the applicant considers it is able to establish and maintain, throughout the licence period, its proposed service, and how this licence fits in with the investors' strategy.

Prior to our acquisition in 2010, the licence was inherently unstable with a history of poor regulatory compliance and business failure. Previous ownership models, whether standalone, newspaper owned or volunteer-based, all failed and none completed their licence terms. Without our support, it is likely that commercial radio in Ceredigion would have ceased many years ago.

Our progress has been achieved by sharing resources with our other radio stations and developing a sustainable and innovative operating model. It is proven that this licence can only survive through co-location and programme sharing. However, despite our improvements, Radio Ceredigion remains a marginal enterprise. There is a very low revenue base in the county and the local economy remains challenging. The imminent arrival of a community radio service has led us to reappraise our provision of radio in Ceredigion and we have concluded that the available revenue base is too small for both services to survive.

We reviewed our options to provide a viable service and concluded that the best use of a new licence term is to extend availability of our national commercial service, Nation Radio. Ceredigion is the only area of Wales where the popular and profitable Nation Radio cannot be heard. If licenced, we will be a truly national service, available right across Wales on a mix of FM and DAB. Nation Radio does not require additional funding to continue its operations since it carries all overheads, excluding transmission and research in Ceredigion, in the Group's existing cost base.

Nation Broadcasting has a demonstrable, long-term commitment to Wales, having launched its first radio station here in 2002 and now providing five local services and the national services Nation Radio and Dragon Radio. Our strategy is to run profitable, popular radio brands that provide local advertisers powerful, cost effective marketing solutions and with opportunities for our staff to develop their careers.

Finally, whilst FM remains the primary local radio platform in Ceredigion, since there are currently no DAB transmitters for local services, in the future it is likely that a solution will be found to make local DAB viable.

(b) Funding

Detail the sources of finance that will be used to fund the licence, under the following headings:

- i) Share capital
- ii) Loan stock
- iii) Leasing/HP facilities (capital value)
- iv) Bank overdraft
- v) Grants and donations
- vi) Other (please specify)

Where relevant, provide information on:

- vii) Loan terms (e.g. interest rate, repayment terms, redemption/conversion terms);
- viii) Assets leased.

All of the funding identified above should be confirmed to the applicant. Explanation should be provided if this is not the case.

100% of any funding required will be in the form of interest-free loans from Nation Broadcasting Limited.

(c) Financial Projections

The purpose of this question is to allow the applicant to demonstrate its understanding of the market. The forecasts should be based on reasonable assumptions, that are logically applied and justifiable.

The applicant should provide financial projections on an annual basis for the licence. The projections must include:

- i) Profit and loss accounts
- ii) Balance sheets
- iii) Cash-flow forecasts

The period covered is at the discretion of the applicant, but should be justified. The forecasts should be supplied on an Excel spreadsheet or similar, with any accompanying guidance notes. The applicant must also complete and submit the spreadsheet entitled "Financial Template" located at: <https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/apply-for-a-radio-broadcast-licence/timetable-for-analogue-re-ads> using information from its business model.

This section must include a full listing of the underlying assumptions on which the financial projections are based, relating such assumptions clearly to other parts of the application (e.g. proposed format, extent of coverage area).

The applicant should detail how revenue figures were derived, distinguishing between local, national and sponsorship revenue.

The response to this question may be submitted in confidence.

Detailed financial information for the initial three years of operation for Nation Radio in Ceredigion have been submitted in confidence. Our Business Plan is informed by our unrivalled experience of successfully running radio stations in Ceredigion and across Wales.

(d) Audience Projections

The existing licensee only should answer the following questions:

i) If you propose to continue, in the new licence period, the same type of programme service as currently broadcast, provide evidence of the listenership attracted by the present service (e.g. from RAJAR).

Nation Radio will replace the existing Radio Ceredigion service.

We believe that the new service can build on the existing audience levels by serving a wide audience with a distinctive, mainstream music format. The existing service underperforms our other local services both in audience delivery and commercial revenue achievement.

Nation Broadcasting was the first local radio owner in Ceredigion to invest in industry standard official audience research (RAJAR) and we will continue to measure audiences in the county. The service currently achieves 16% reach and a market share of just under 5%.

All radio reach in Ceredigion is 91%. National BBC and commercial DAB services are available and we expect these to take an increasing audience share over time. At present there is no enabled local DAB transmitter, however Nation Radio is already carried on the Mid and West Wales and North Wales Local DAB multiplexes. This means that the service will be carried should either multiplex be expanded into Ceredigion as part of a future build-out ahead of digital switchover.

In a market such as Ceredigion, total listening hours are important in order to drive national revenues, and support the viability of the service. We are confident that our older music format will deliver stronger overall listening hours because of the proven higher average hours of listening achieved by older targeted music services.

RAJAR shows that the current Radio Ceredigion service is less popular than the localised services in Carmarthenshire and Pembrokeshire. We are confident that Nation Radio can also perform better in terms of reach, given the older demographic profile of Ceredigion.

ii) To what extent do you believe that the potential maximum listenership for your present programme service is already being achieved? Indicate any audience objectives for the new licence period.

Nation Radio will appeal to a broader and overall larger audience of adults aged 15+ than the existing service. The existing service has continually underperformed in audience terms, relative to our other local services in the adjacent counties of Pembrokeshire and Carmarthenshire. The current adult 15+ population is 78,700.

Radio Ceredigion's current reach is 16%, delivering an audience share of just under 5%. We expect most of the existing audience of Radio Ceredigion to migrate to Nation Radio and some new and lapsed listeners to also trial the service.

Within the Ceredigion TSA, we believe the current audience levels can be improved upon through offering the broader music mix on Nation Radio.

Our three year audience forecast is below;

	Year 1	Year 2	Year 3
15+ Population	79,000	79,000	79,000
Reach	12,640	13,430	14,220
Reach %	16	17	18
Ave Hours	5.6	6.0	6.2
Total Hours	71,000	81,000	88,000

Source: Nation

In making our forecasts, we reviewed our 2012 projections for the current licence period, which were very close to those that were achieved, demonstrating our understanding of the market. We believe that we can grow average hours of listening with an older focused music format but, to be prudent, we have kept this at the current levels in our forecast and business plans.

We do not believe new listeners will come exclusively from any single station. In our experience, listeners divide their listening time with existing stations in order to accommodate a new service.

We also believe that we can attract new listeners from BBC national services being a popular, music-led service with a Wales perspective. We note that BBC national music services - Radios 1 and 2 - perform strongly in Ceredigion and we believe we can take audience from BBC Radio 2 in particular.

Given the strong appeal and demand for music of the 1970s and 1980s shown in our 2012 research study, we are confident of attracting and retaining new listeners. Furthermore, our music is more varied than Heart - another aspect that is always popular in research studies. We are confident we can improve better average hours of listening which will convert to a more significant level of national revenue.

Nation Radio competes with Heart in other markets across Wales and has proved it can achieve a viable audience. To inform our calculations, we reviewed Nation Radio's audience delivery in Swansea, which are shown below:

	Reach %	Average Hours	Market Share %
Mar 18	10	5.0	2.3
Dec 17	10	4.8	2.2
Sept 17	11	6.2	2.9
Jun 17	11	5.8	2.8

Source: RAJAR

Since the Ceredigion market is less competitive than Swansea, and our listeners are already tuned into and familiar with the current service being provided on the frequencies, we believe that our audience projections are conservative.

3. Transmission proposals

The existing licensee only should answer the following questions:

- a) Provide details of any substantial alteration you propose to make to your existing transmission arrangements (e.g. proposed relocation of transmission site) for the new licence period.

No changes will be made to the current transmission arrangements.

Section 105(B) and (C): Catering for tastes and interests/ broadening choice

4. Format

NATION RADIO (CEREDIGION)

Licence number	AL139
Licensed area	Ceredigion
MCA population	72,088
Frequency	103.3, 96.6, 97.4 MHz

Character of Service

A MUSIC STATION FOR WALES FOR A BROAD AUDIENCE AGED 15+	
Service duration	24 Hours
Locally-made programming	<i>Studio location: Wales</i>
	<i>Locally-made hours: At least 21 hours per day (must include breakfast and weekend breakfast).</i>
	<i>Programme sharing: All programming shared with licence AL327.</i>
Local news	Welsh national news at least hourly during peak time.

Definitions

Speech	Excludes advertising, programme/promotional trails & sponsor credits
Peak-time	Weekday breakfast and drive-time, and weekend late breakfast
Daytime	06.00 to 19.00 weekdays and weekends

Notes

This Format should be read in conjunction with Ofcom's published Localness Guidelines:

<http://stakeholders.ofcom.org.uk/broadcasting/radio/localness/>

5. Programming Philosophy

a) Explain (in no more than 500 words) how your proposed Format will cater for the tastes and interests, general or particular, of persons living in this local area;

We will provide a viable additional commercial radio service for Ceredigion, offering choice and diversity against other services and catering for a broad range of local tastes and interests.

To succeed in Ceredigion, where the BBC dominates listening, we must provide a local service that is relevant and of high-quality. Our programme proposals reflect previous research studies, audience performance and our own experience of operating the current service.

With such a low revenue base in the county, it is business critical to generate high listening hours so that national revenue can be maximised. With an available audience of just 72,000 people - one of the smallest populations served by a local radio service, per head of population - the Ceredigion licence is amongst the most expensive to provide in the whole of the UK.

In line with most research studies, Ofcom's recent localness consultation found by far the primary motivation for listening to particular local commercial radio stations is the music they play (72% of listeners).

Approaching this licence re-application, we broadly knew the type of service we thought would be popular. Given Heart's younger targeted service, we believed that an older targeted music service could succeed in Ceredigion. We reviewed this proposal against the music findings of our 2012 Ceredigion application research. This provided evidence that there is significant demand in Ceredigion for an older focused music format - namely one predominantly based on older hits of the 1970s and 1980s. There was little point researching other music formats in a market this size, since we know a purely local service is not viable and that a broad, music-led service is required to achieve a viable audience.

Furthermore, the Small Stations report, prepared for Ofcom in July 2011 by Essential Research, said music policies should be "designed to maximise audiences, both in terms of absolute numbers and in relation to listening hours." We are confident that the best way to maximise audience success and serve local tastes and interests is to provide a station with an older targeted music format such as Nation Radio.

c) Explain (in no more than 400 words) how your proposed Format will cater for tastes and interests different from those catered for by other existing local commercial and community radio services available in this local area;

Nation Radio has a distinctive format and is completely different in character to Heart, the other commercial station in Ceredigion.

We reviewed the formats of both Nation Radio and Heart. Nation has a very different target audience, serving a broad, 15+ audience, against Heart's narrow target of 25-44 year olds. This means we can appeal to a wider audience, including those aged 55 and over. This is important in such a small TSA where we need to achieve as large an audience as possible. This is also important in an area such as Ceredigion, where there is an older audience profile.

Our monitoring analysis confirms our music is very different to Heart's. Our mix of older dominated classic hits contrasts sharply, with 55% of our music from the 1980s or earlier. Heart plays just 2 songs a week from the 1980s - less than 1% of its output. Heart's music is predominantly from contemporary and recent eras, with a median year of 2009. Just 20% of Nation's songs are from the past decade and our median year is 1987.

Music variety is more pronounced on Nation Radio; we play almost double the number of unique tracks to Heart each week, with a universe of 559 songs against 304 for Heart.

Heart's format has a strong commitment to news and speech, including 24 hour news. Our monitoring found extended news bulletins at 6am and 6.45pm. In traffic news, there was a focus on North Wales with only a couple of mentions for Ceredigion. In general programming, even during local hours, there was little to no mention of Ceredigion.

Nation Radio's speech content is for all of Wales - be that news, entertainment or sports events. Our programming is always from Wales meaning we can be more relevant than Heart, particularly when it is produced from London.

In terms of production bases, Heart provides programming from Wrexham for at least 7 hours a day during daytime weekdays and at least 4 hours daytime Saturdays and Sundays. In contrast, Nation Radio is produced from Wales 24/7 with a minimum commitment of 21 hours, making us the most local service in the market and with three times the locally produced programming - 21 hours a day made in Wales, compared with just 7 hours for Heart.

d) In what ways, if any, are your programme proposals for the new licence period substantially different from the programme service you currently broadcast? Outline the reasons for any such differences from the current service.

Our programme proposals for the new licence term are substantially different and reflect economics, market knowledge, RAJAR performance and our general experience of operating the service.

The existing service has continually underperformed in audience terms and commercially, relative to our other local services in the adjacent counties of Pembrokeshire and Carmarthenshire.

With a community service imminent, the low available local revenue base in Ceredigion means that a local service is no longer viable.

We noted the success of Nation and its recent change to focus on older music. This resonated with the research of our 2012 Ceredigion licence application where music of the 1970s and 1980s proved most popular. In addition, we took note of Ofcom's Small Stations of July 2011 by Essential Research, which said music policies should be "designed to maximise audiences, both in terms of absolute numbers and in relation to listening hours." We have taken these findings into account when finessing our proposals for the new licence term.

Section 105(D): Evidence of local demand or support

6. Evidence of Demand

The existing licensee only should answer the following question:

If you propose to alter your existing programme service in the new licence period, outline any way in which findings from any original market research undertaken, or analysis of existing audience research information, have influenced this decision.

Radio Ceredigion Ltd is proposing to provide a new programme service in the new licence period, namely Nation Radio.

We have taken account of market analysis and existing listening data (RAJAR) in finalising our proposals and we are confident the new programme service will improve the audience performance and financial performance of Radio Ceredigion Ltd.

- a) If original market research has been undertaken, please provide the following information for each piece of research:
- b) A statement of the key objectives of the research;
- c) The specific questions that the research sought to answer;
- d) How the research was conducted;
- e) The size and composition of the sample(s);
- f) When and where the research was conducted;
- g) A summary of the main findings from the research, showing how these demonstrate evidence of demand for the service proposed;
- h) Full data tables for any quantitative research undertaken (these may be submitted in confidence).

Please provide your responses to (a) - (e) in tabular format.

Given the economics of this licence and our knowledge of the market, we have elected to use RAJAR analysis and our own experience to inform our proposals.

We also reviewed the findings of our research from our 2012 application, particularly with regards music output.

We have extrapolated the performance of Nation Radio in more competitive markets in Wales to measure the demand and appeal of the service in Ceredigion.

Desk Research

We reviewed the format of Heart, the only other commercial service in Ceredigion. Heart caters for adults aged 25-54. No other station format serves a range of all adults aged 15+.

We reviewed the economic strategy of Ceredigion County Council. It states that the local economy has been under pressure due to a number of factors including £34m of cuts enforced on the authority through austerity measures. The reduction of its general spending power has had a negative impact on businesses, employment rates and annual income levels for households within the county. Unlike many other counties in Wales, Ceredigion's public sector employs a large proportion of the workforce. Consequently, these cuts have a disproportionately damaging effect on the local economy.

Key objectives of the research	To establish population estimates, profiles and trends. Review history of the Ceredigion licence Review Ceredigion economy Review formats of existing commercial services.
Specific questions that research sought to answer	Understand current local commercial radio provision in Ceredigion and possible format gaps. Understand impact of a format switch to Nation Radio
How research was conducted	Online / offline Various sources, Ofcom, ONS, Ceredigion County Council
Size and composition of the sample	Not applicable
When and where research was conducted	June 2018

The decision to leave the European Union has placed an additional risk of reduced grant funding streams totalling a further £57million per annum into both the private and public sectors. Agriculture and tourism industries are the main beneficiaries of these funding streams and, without this level of support, the small businesses of Ceredigion will be under significant financial pressure over the coming five year period.

The information communication and transport network remains under-developed to assist ease of access to and from Ceredigion. The Information Communication Technology networks require a significant further investment to improve access to Superfast Broadband so that businesses can compete and prosper on the national and international stage. Road and rail networks also require further investment to allow clear access and exit routes for import/export of local produce and resources.

We reviewed data from the Office of National Statistics (ONS). Its data shows that Ceredigion is expected to see population growth in the coming years. Based on 2014 figures, the population of Ceredigion is projected to increase by around 6,600 (8.8 per cent) by 2039. There is projected to be increases in most age groups apart from those aged 16-17 and 60(f)/65(m)-74. Net migration will account for an increase of 7,300 in the population between 2014 and 2039 (with international migration accounting for two thirds); this is slightly offset by a reduction in population due to natural change of 700.

	2014	2019	2024	2029	2034	2039
Ceredigion	75,400	76,600	77,900	79,400	80,800	82,100

Source: Welsh Government

Of those who are economically active, this is significantly below the rest of Wales and the UK, being 69.7 in Ceredigion against 76.0 in Wales and 78.4 in Great Britain. Gross weekly pay is 15% lower in Ceredigion than in Great Britain.

RAJAR - Key Findings

We reviewed the latest RAJAR report for Ceredigion and looked to see any trends in data over recent years.

Key objectives of the research	Provide trend data illustrating the historic performance of radio services, BBC and commercial, in the Ceredigion TSA, including demographic analysis.
Specific questions that research sought to answer	To review the performance of Radio Ceredigion and other local commercial services in Ceredigion. How has audience size, demographic and composition changed over the last decade, and since recent programming changes to local commercial radio services? How has commercial radio listening changed? Relative performance of Radio Ceredigion in relation to commercial radio listening?
How research was conducted	Desk analysis of RAJAR.
Size and composition of the sample	Radio Ceredigion TSA
When and where research was conducted	Analysis undertaken by Nation Radio management in June 2018.

RAJAR confirms that BBC Radio services perform strongly. With 34% and 26% respectively, BBC Radio 2 and BBC Radio 1 have most listeners in the market. BBC Radio Cymru delivers a reach of 22%, with BBC Radio Wales at 14%. In terms of audience share, the BBC dominates. BBC Radio 2 (20.7%), BBC Radio Cymru (15.3%) and BBC Radio 4 (14.2%) lead the way, with BBC Radio 1 achieving a share of 7.1 %.

In commercial radio, Heart achieves a weekly reach of 25% and Radio Ceredigion achieves 16%. Heart achieves a market share of 12.3% with Radio Ceredigion at 4.9%. Both Heart's reach and Radio Ceredigion's reach have declined in recent years.

There are fewer local commercial radio stations in Ceredigion than in other parts of Wales with just the two commercial licences. Observing listening levels to Nation Radio in Swansea - currently 10% - demonstrates that, despite the significant choice in markets such as Swansea, there is clearly a demand for Nation Radio.

Furthermore, Nation Radio has also recently pivoted its music output older and we believe that this will pay dividends through increased listening. We are confident that in a less competitive market such as Ceredigion, Nation Radio will perform strongly and in line or beyond our business plan projections.

In the period over which the data was reviewed, that is the past ten years, we note that the population in the Radio Ceredigion TSA has remained broadly constant at just over 79,000.

All radio reach, which has consistently been very high in Ceredigion, and as high as 98% in 2014, has fallen to 91%. This level is marginally higher than the national average.

RAJAR analysis was vital in understanding the overall competitiveness of the market and obtaining evidence that older audiences, especially those aged 45+ have not got a commercial station that readily caters for their needs.

Music Monitoring

Data tables have been submitted in confidence.

Key objectives of the research	To analyse, quantify and understand the music output of existing local commercial radio services in Ceredigion and to establish the extent to which Nation Radio would broaden choice.
Specific questions that research sought to answer	Analysis was conducted to determine the number of unique tracks played by each station, to determine the era/decade mix of songs and the level of overlap of tracks played. Also to understand the existing music genres in the market. A second study was undertaken to determine if Heart had changed its music policy
How research was conducted	Data was derived from Radiomonitor and collated and analysed by Nation Broadcasting's programming management team.
Size and composition of the sample	Music output data for Heart was gathered over a seven day period across 24 hours.
When and where research was conducted	11th - 17th June 2018; 7 day period over 24 hours.

Summary of Findings

We undertook our music monitoring in June 2018.

It found that commercial radio music output in Ceredigion is currently weighted to contemporary and recent eras. All of Heart's songs are from the 90s, 00s and now with almost 74% of the total universe from 2000 onwards and almost half of all songs from the current decade. Less than 1% of songs (2 songs in a week) were from the 1980s. Heart's median song year is 2009.

Heart's recent removal of the 1980s as a core decade, has opened a significant market gap for older listeners. It means the market has moved considerably younger, leaving older listeners even more disenfranchised. Nation Radio will include the 1970s and 1980s as core eras and our median musical year will be 1987, significantly older than Heart.

The following tables record the era of all songs played across a week of Heart in the Ceredigion market, and compared that to the music output of Nation Radio in the same period. The tables demonstrate that Nation Radio's music output is significantly older and also that there is minimal crossover in the number of tracks played by each station, confirming that Nation Radio will significantly broaden choice to Heart.

	Total No. Tracks	No. Unique Tracks	10s - Now	00s	90s	80s	70s	60s	Median Year
Heart	2250	304	151	74	77	2	0	0	2009
Nation Radio	2163	559	102	69	80	234	68	6	1987

No. Tracks in Common	Heart	Nation Radio
Heart		90
Nation Radio	90	

Content Monitoring

Full data tables have been submitted in confidence.

Key objectives of the research	To analyse, quantify and understand the news, information and local speech content of existing local commercial radio services in Ceredigion and to establish the extent to which Nation Radio would broaden choice.
Specific questions that research sought to answer	See above
How research was conducted	Data derived from Radiomonitor; collated and analysed by Nation Broadcasting programme management.
Size and composition of the sample	Speech content from Radio Ceredigion and Heart (between 06.00 and 19.00) was monitored over a 7 day period.
When and where research was conducted	11th - 17th June 2018; 7 day period by Nation Radio management.

Summary of Findings

We monitored and analysed the speech output of Heart and Nation Radio (for comparison) for Mon 11th – Sun 17th June 2018, noting the number of Ceredigion, Wales and International stories, plus the duration of bulletins. Generally, news bulletins were of 90 or 120 seconds on the hour and around 60 seconds on the half hour.

Heart use “split links” to give the impression of locality when they are originated from London. There was a clear lack of local content and characteristics, particularly in daytime. General presenter links mainly consist of talking about the music, entertainment, showbiz and sponsorship reads not specific to Wales.

Nation Radio broadcasts news for Wales through daytime and originates the overwhelming majority of its programmes from studios in Wales.

7. Evidence of Support

Summarise (in no more than 500 words) any evidence of support for your application from your potential (or existing) audience or from prospective local advertisers.

Nation Radio has discussed its plans with a number of local advertisers in Ceredigion and across Wales. Their positive responses are indicative of the strong support we have generated for our proposals.

“We have an excellent relationship with Nation Broadcasting which has developed over many years and are excited to hear about their plans to bid to launch in Ceredigion. We support their efforts to extend their coverage into the county.”

- Jac Bowen, Marketing Manager, Trade Centre Wales

“As a media agency representing many local and regional clients, Nation Radio in Ceredigion will add to the local market. Nation’s investment in broadcasting regular news, weather, travel and events information will resonate with listeners and give more choice for advertisers.”

- Jim Carpenter, Business Development Director, Orchard Media

“I write to lend our support to Nation Broadcasting’s application to expand Nation Radio’s reach further across West Wales. We’re excited at the prospect of continuing our excellent working relationship and more importantly leveraging your stations platform to further our coverage and penetration into the West Wales market.”

- Dean Adams, Head of Marketing, Sinclair Group

“We advertise on a number of Nation Broadcasting’s stations including Nation Radio and I feel that expanding the reach of their regional station across Ceredigion will be beneficial to residents and businesses alike. I look forward to expanding our business through your listeners.”

- Paul Davies, General Manager, Day’s Motor Group

“Over the years, Nation Broadcasting has become a fantastic asset to our business, therefore, I’d be very happy to support Nation Broadcasting’s application to expand Nation Radio’s reach further across West Wales.”

- Mark Pardoe, Managing Director, Griffin Mill

“Having advertised on a number of Nation Broadcasting’s stations including Nation Radio, I feel that expanding the reach of their regional station across Ceredigion will be beneficial to residents and businesses alike. This would be an excellent progression for the area.”

- David Semmens, Chairman, Cloham Ltd (Happy Home Furnishers South Wales)

Declaration

Applicants are required to conclude their submission by responding to the following question:

Do you confirm that, to the best of your knowledge and belief:

- a) the applicant is not a disqualified person in relation to the licence by virtue of the provisions of section 143(5) of the Broadcasting Act 1996 (relating to political objects);
- b) no director or person concerned directly or indirectly in the management of the company or the applicant group is the subject of a disqualification order as defined by section 145(1) of the Broadcasting Act 1996;
- c) no person involved in the application has been convicted within the past five years of an unlicensed broadcasting offence and that the applicant will do all it can to ensure that no person so convicted will be concerned in the provision of the service, the making of programmes included in it, or the operation of a radio station if the applicant is granted a licence; and
- d) any matters which might influence Ofcom's judgement as to whether the directors and substantial shareholders involved in the application are fit and proper persons to participate in a radio licence have been made known to Ofcom?

Applicants should note that Ofcom reserves the right to revoke a licence if at any time any material statement made is found to be false and to have been made by the applicant or any member or officer thereof knowing it to be false, and that in the circumstances of section 144 of the Broadcasting Act 1996, the provision of false information or the withholding of relevant information with the intention of misleading Ofcom could incur a criminal conviction and a disqualification from the holding of a licence.

On behalf of Radio Ceredigion Limited I confirm there are no issues with regards to the above matters that need to be brought to the attention of Ofcom.



Jason Bryant
Executive Chairman