

Designation of Radio Selection Services

Principles and methods for Ofcom's recommendations

NON-CONFIDENTIAL VERSION

Statement

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1. Overview

- 1.1 The Media Act 2024 (the 'Media Act') introduced a set of rules which aim to secure the availability of online streams of broadcast radio services via voice-activated devices. It defines these services as radio selection services ('RSS') and requires designated RSS ('DRSS') to reliably provide the online stream of a UK broadcast radio service in response to a user's voice command, amongst other requirements.
- 1.2 Ofcom has a number of roles in respect of this new regulatory framework. Our first role is to provide the Secretary of State with a report making recommendations about which RSS should be designated. In order to provide that report, we are required by the Media Act to develop a set of principles and methods we will use to arrive at the recommendations in the report and to publish these as a statement on our website.
- 1.3 In February 2025 we published a consultation explaining our proposed approach alongside a draft Statement of Principles and Methods ('Statement'). We received seven consultation responses, which we carefully considered before finalising the Statement. In this document, we explain the rationale for our decisions. The final statement is at Annex 1 of this document.
- 1.4 Several of the consultation responses also provided input as to how we should approach our first report to the Secretary of State. We are grateful to stakeholders for their engagement on these points and will take their comments into account when producing that report, which we plan to consult on later this year.

What we have decided – in brief

Having considered the consultation responses, which were broadly supportive of our proposed statement, we have decided not to make any changes and to proceed with the Statement as set out in the consultation, which sets out the following principles and methods:

- The number of members of the public using the service: In measuring the number of users in the UK, we will use the best available evidence to provide an objective and reliable basis for measuring the number of people in the UK using each RSS to listen to internet radio services. If we consider individual user numbers cannot be measured reliably, we may use a proxy for user numbers. We may take an approach that involves combining more than one metric or proxy. We will apply a consistent methodology to our assessment of each RSS to ensure fair treatment.
- Manner of use of the service: we will generally take account of the different ways in
 which an RSS can be used to listen to internet radio services. We may consider a
 broad range of information (such as where listening is taking place (home, car etc),
 how often and for how long users are listening to internet radio) in our approach.
- Whether the level of use of the service is significant: In determining a threshold that we consider to be significant, we will seek to ensure that relevant internet radio services are widely available to users of RSS. We will generally consider what level of

¹ These are set out in the Legal Framework Annex

use is significant every time we prepare a report. We will consider any relevant factors which may affect what is significant at that particular time, recognising that significance is context dependent. As such, where we have previously given recommendations, we will consider if the threshold used in that report is still appropriate. We will determine the threshold in a proportionate way. We will take into account that designation of an RSS will impose regulatory obligations on providers of RSS.

Any other matters Ofcom considered likely to affect the above: We will consider
whether it would be appropriate to assess any other factors that are likely to affect
the matters referred to above, taking into account our relevant statutory duties.

Some respondents asked for clarification on certain aspects of our proposed principles and methods and how they may be applied in our report to the Secretary of State. We have responded where appropriate in this document and will return to other points raised as we prepare our first report.

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.

2. Background

- 2.1 Radio is very popular in the UK, with almost 51 million people tuning in for an average of 20.5 hours each week.² As well as providing entertainment and a background to people's lives, radio has an important role in providing local, national and international news and helps communities connect. It also provides a communication channel for sharing local information, such as school closures or events. It supports the inclusion of people who don't use other digital communication channels such as social media.
- 2.2 But the way in which people access radio is changing. More and more listening is happening over the internet, some of which is via voice-activated devices such as smart speakers, smartphones, or in-car entertainment systems.³ Listening to radio services streamed online accounts for more than a quarter of all live radio listening, more than doubling its share in the past five years.⁴ In the impact assessment for this part of the Media Act, government set out the rationale for changes to the scope of regulation: "Given the risk of a shift in the balance of power between platforms and stations, it is important that the Government takes action to ensure that listener access to radio across these devices is protected over the years to come." ⁵
- 2.3 In recognition of this changing landscape, the Media Act, which came into force in July 2024, brings into regulation those voice-activated online services that can stream internet radio services ('radio selection services' or 'RSS') that have been designated by the Secretary of State.⁶ It requires, among other things, that designated RSS ('DRSS') reliably provide the online stream of a UK broadcast radio service in response to a user's voice command.
- 2.4 In this section we briefly outline the definition of an RSS, our role in relation to the designation of RSS and subsequent phases of implementation. Our relevant regulatory duties are summarised in Annex 2, which includes a description of the legal framework for designating RSS and the duties we have had regard to in developing our proposed principles and methods.

Radio selection services are a subset of voice assistants that return radio in response to a voice command

- 2.5 Section 362BA of the Media Act defines an RSS as "a service provided by means of the internet which enables, or among other things enables, a user of the service— (a) to make a selection between internet radio services provided by different providers, and (b) to cause a selected internet radio service to play, by giving spoken commands that are recorded by equipment connected to the internet.".
- 2.6 In brief, an RSS is a type of voice assistant that enables audiences to listen to internet radio services following a voice command. Voice assistant services can be accessed via devices such as smart speakers and smartphones; but it is important to be clear that these devices

² RAJAR Q3 2024

³ Ibid

⁴ Ibid

⁵ Regulation of radio services across voice assistant platforms impact assessment, pg. 1

⁶ Part 6 of the Media Act/ Part 3B of the Act

in themselves are not RSS. What differentiates an RSS from other voice assistants is the ability of a user to request an internet radio service via spoken command and for it to be played as a result.

The role of our Statement on Principles and Methods in designating RSS

- 2.7 Under the Act, designation of RSS is a decision for the Secretary of State; they may only designate RSS which they consider have a "significant" level of use for listening to internet radio.⁷ To inform their decision, they must first receive from Ofcom a report containing our recommendations about which services to designate and then consult stakeholders.⁸ It is also open to us to prepare a report for the Secretary of State at any other time we think it is appropriate.
- 2.8 In our report to the Secretary of State we must include in our assessment of each RSS in question:
 - a) the number of members of the public using the service;
 - b) the manner in which that service is used;
 - c) whether the level of use of the service is significant; and
 - d) any other matters we consider likely to affect factors a) to c).9
- 2.9 Before we produce this report, the Act requires us to first develop a set of principles and methods which we will follow when preparing our reports to the Secretary of State. ¹⁰ In February 2025 we consulted on our proposals for our Statement of Principles and Methods and included the proposed statement as an Annex to the consultation.
- 2.10 The Secretary of State must consider our report, and consult on what services they think should be designated. After the Secretary of State has made their decision, we will continue to have a role in providing reports on further designations or possible revocations, maintaining a list of DRSS on our website, ¹¹ and in compiling and keeping under review information that is relevant to designation and the possible revocation of designation. ¹²

⁷ Section 362BB of the Act

⁸ Section 362BC of the Act

⁹ Section 362BC(4) of the Act

¹⁰ Section 362BC(5) of the Act

¹¹ Section 362BE of the Act

¹² Section 362BZ1 of the Act

3. Consultation responses and Ofcom's decisions

- 3.1 In this section we summarise the proposals that we made in the consultation, the responses we received, and taking each relevant issue raised by respondents in turn to explain our consideration of the response before setting out our decisions.
- 3.2 In reaching these decisions, we have considered their impact and our relevant statutory duties. ¹³ We explain in Annex 3 how our decisions are consistent with those duties and set out our final impact assessments, including on equality and the Welsh language.

Our proposed principles and methods

Response to our consultation

- 3.3 When preparing a report for the Secretary of State with recommendations about the designation of RSS, we must take account of a range of factors set out in the Act, as set out below. In the consultation, we proposed the principles and methods that we will apply when assessing those factors, assessed the impact of those proposals and asked if stakeholders agreed with our proposals for each factor.
- 3.4 We received seven responses to our consultation. ₹, ₹, BBC, Sky, News UK, Radiocentre and Penistone FM were broadly supportive of our proposals. ¹⁴ Some provided additional comments about how we should apply our principles and methods in making our recommendations. We will consider these comments when we prepare our report for the Secretary of State with recommendations about the designations of RSS.

Number of members of the public using the service and manner of use

What we proposed

- 3.5 In our consultation, we said in making our recommendations we are required to assess, in relation to each RSS, the number of members of the public using the service to listen to internet radio services. ¹⁵ To achieve this, we said:
 - a) We will use the best available evidence to provide an objective and reliable basis for measuring the number of people in the UK using each RSS to listen to internet radio services.

¹³ These duties are set out in the legal framework in Annex 2.

¹⁴ Consultation responses are published on our website: <u>Consultation: Designation of Radio Selection Services</u> – principles and methods for Ofcom's recommendations - Ofcom

¹⁵ The Secretary of State must consider that the level of use of a RSS in the UK to listen to internet radio services is significant in order to designate it (section 362BB(2) of the Act).

- b) If we consider individual user numbers cannot be measured reliably, we may use a proxy for user numbers. We may take an approach that involves combining more than one metric or proxy.
- c) We will apply a consistent methodology to our assessment of each RSS to ensure fair treatment.
- 3.6 The Act also requires us to assess, in relation to each RSS, the manner in which the service is used. In doing so, we said we will generally take account of the different ways in which an RSS can be used to listen to internet radio services. We said that we may consider a broad range of information (such as where listening is taking place, how often and for how long users are listening to internet radio) in our approach.

What respondents said

- 3.7 Overall, the respondents to our consultation broadly agreed with our proposals. They provided the following comments.
- 3.8 In measuring users, the BBC suggested that Ofcom should consider designating the underlying 'white label' system, rather than the consumer-facing system or the voice assistant brand. The BBC considers that this would capture the full range of consumer deployments and therefore the true cumulative level of usage and would address cases where for example, car manufacturers have branded an existing RSS, rather than developing a bespoke solution. ¹⁶
- 3.9 News UK wanted to understand the weight Ofcom intends to put on the different factors that would determine our designation recommendations. For example, News UK felt it was appropriate that an RSS would be designated "if it was used by a relatively small number of people in the UK... but those who do use it tend to use it frequently to listen to IRS and listen for long periods of time." ¹⁷
- 3.10 Radiocentre said that our recommendations should be drawn from robust data, but Ofcom should not place a disproportionate significance on the number of people using an RSS to listen to radio services (rather than using it to control a smart home device, alarm or timer). Instead Radiocentre said that Ofcom can safely assume that voice assistants with a significant number of overall users will also have a significant number of radio users. Radiocentre also noted that those who use a voice assistant, but not for radio, may start to in the near future. 19
- 3.11 Further, Radiocentre said it was unclear why the length of listening could be relevant to a potential designation recommendation or the policy intent behind the legislation. Instead it considered that radio's reliance on a given voice assistant and the potential for harmful gatekeeping behaviour was the core risk the regulation is designed to address.²⁰
- 3.12 Another respondent ¾ agreed that proxies will be required in our assessment, but that any such proxy should be used transparently, and industry should be allowed to feedback ahead of any final decision.

¹⁶ BBC consultation response, p.2

¹⁷ News UK response, p.3

¹⁸ Radiocentre response, p.5-6

¹⁹ Radiocentre response, p.5

²⁰ Radiocentre response, p.6

3.13 A few responses were focused on sharing their understanding of what services could be considered an RSS. Sky sought clarification from Ofcom that the scope of the regime would not extend "to TV services" such as Sky's services – noting that the primary function of their service is not for radio listening and users are not able to directly play content without manual interaction from the user's end – and so should not be considered for designation. Another respondent Set out their understanding that a particular type of voice assistant device Set would not constitute an RSS, but only devices that surface radio in direct response to a voice command and where those services meet the significant use threshold. They anticipated that the majority of that particular type of device Set would not meet the definitional criteria or significant use threshold to be designated.

Our response

- 3.14 We've considered News UK and Radiocentre's comments about how we weight data metrics. As set out in our Principles and Methods, we will use the best available evidence to provide an objective and reliable basis for measurement, as well as fulfil the requirement that we report on the number of members of the public using the service and the manner in which they use it. This may mean using a variety of proxies and data metrics if necessary. As this might change for each report we produce for the Secretary of State we do not consider it would be appropriate to assign a general weighting in our Principles and Methods to any particular factor.
- 3.15 We note Radiocentre's comments about the inclusion of length of listening as an example of manner of use. We consider length of listening as an example of the different ways we may assess how audiences use RSSs listen to internet radio services. The length of listening could be a relevant metric in the future. We will consult on the chosen metric(s) for manner of use each time we prepare a report for the Secretary of State. This will give stakeholders an opportunity to comment on our chosen approach.
- 3.16 We note Radiocentre's comments that Ofcom can assume that a voice assistant with a significant number of overall users (i.e. including those that do not use the assistant to listen to internet radio) will also have a significant number of users that use the assistant to listen to internet radio. We are required to assess the number of members of the public using an RSS to listen to internet radio services. Further, we note Radiocentre's comments that members of the public that are not currently using a voice assistant to listen to internet radio services may do so in the future. We consider that we will be able to respond to changes in the use of radio selection services through our monitoring role under section 362BZ1 of the Act²² and the preparation of subsequent reports for the Secretary State recommending designation.
- 3.17 In relation to \$< and Sky's comments about the scope of the definition of an RSS. We note that the statutory definition does not refer to particular types of devices on which an RSS is provided. The Act states that for a service to be considered an RSS it must be able to play radio following a voice command from users (not only providing search results to select from).²³

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²¹ Sky response, p.2

²² This section states that OFCOM have the function of obtaining, compiling and keeping under review information about matters which may be relevant to—(a) designating or revoking the designation of a radio selection service (see sections 362BB and 362BD).

²³ Section 362BA(1) of the Act

- 3.18 We note the BBC's comments that Ofcom may wish to consider whether the "white label" base system should be designated rather than the consumer facing system. We understand the reference to white label base systems to mean circumstances where an RSS is made by one company and then sold by another company (or companies) under their own brand name, and where the change of brand is the sole difference. We consider that our Principles and Methods statement would allow us to take into account factors such as this if we thought it was relevant and appropriate for making our recommendations to the Secretary of State.
- 3.19 In respect of one respondent's concern about transparency; stakeholders will have the opportunity to see our assessment of user numbers, including any use of a proxy, each time we consult on our proposed recommendations to the Secretary of State.

Our decision

3.20 Having carefully considered the responses provided by stakeholders, we have decided to proceed with our proposed principles and methods for assessing the number of users of RSS in the UK and the manner of use in which the service is used by those persons, as set out below.

Principles and Methods for number of users

Ofcom will assess the number of members of the public using the RSS to listen to internet radio services. To achieve this:

- a) We will use the best available evidence to provide an objective and reliable basis for measuring the number of people in the UK using each RSS to listen to internet radio services.
- b) If we consider individual user numbers cannot be measured reliably, we may use a proxy for user numbers. We may take an approach that involves combining more than one metric or proxy.

We will apply a consistent methodology to our assessment of each RSS to ensure fair treatment.

Principles and Methods for manner of use

We will generally take account of the different ways in which an RSS can be used to listen to internet radio services. We may consider a broad range of information (such as where listening is taking place (home, car etc), how often and for how long users are listening to internet radio) in our approach.

Significant level of use

What we proposed

- 3.21 In our consultation we proposed setting a threshold of a significant level of use. When doing so, we said we would:
 - a) ensure that relevant internet radio services were widely available to users of RSS.
 - b) generally consider what level of use we consider to be significant every time we prepare a report, taking account of relevant factors at that point. As such, where we have

- previously given recommendations, we will consider if the threshold used in that report is still appropriate.
- c) determine the threshold in a proportionate way, taking into account that designation of an RSS will impose regulatory obligations on providers of RSS.
- 3.22 We said that we will generally recommend the designation of an RSS at or above the threshold level, but that we may consider it appropriate not to do so in some circumstances for example, if use of an RSS is declining and it is unlikely to be over the threshold for a reasonable period of time after designation. We said that we would explain our approach in such cases.

What respondents said

- 3.23 Although respondents were, overall, supportive of our proposals, a number raised specific factors that they considered relevant when assessing significance.
- 3.24 Radiocentre and News UK referenced existing RSS providers integrating AI into their services and the potential for providers of AI to enter the radio voice assistant market in the future. Radiocentre felt that voice assistants owned and operated by a single platform should be designated "even if their market share superficially changes with the deeper integration of AI." News UK asked that Ofcom outline instances that would trigger a review of the designation threshold. Radiocentre shared the view, and said Ofcom should allow for regular reviews of the significance threshold as the market evolves and set out the frequency such reviews should occur. ²⁶
- 3.25 Radiocentre said Ofcom should consider market fragmentation, whereby a smaller number of voice assistants may not meet significance in isolation but collectively constitute a substantial portion of the overall market. They said "Ofcom may want to consider the size of the company that is offering the VA service for example if new VAs are launched they may fall under the new regime if they are offered by large tech companies... that have the scale and reach to quickly meet a threshold for significant usage." Radiocentre also said Ofcom should consider that certain demographics may be using a platform at a significant level, but this may not necessarily be captured if the threshold is considered across all adults.
- 3.26 Our draft principles and methods stated that we might not recommend the designation of an RSS if evidence suggested usage was unlikely to be over the threshold for a reasonable period of time after designation. The BBC suggested that "Ofcom should consider how designations could happen at pace" where usage grows but also, that "the bar for an RSS being removed from regulation if it falls below the reach threshold should be different to the bar for designation". For example, the BBC suggested there should be a minimum period of at least two years before an RSS designation is revoked to protect the interests of established users of the service.

²⁴ Radiocentre response, p.8

²⁵ News UK response, p.4

²⁶ Radiocentre response, p.8

²⁷ Radiocentre response, p.9

²⁸ BBC response, p.2

the criteria for assessing significant use must be clearly and transparently set out, be proportionate and may be subject to change over time due to external factors and context.

Our response

- 3.28 We agree with the respondents who suggested that Ofcom should be responsive to RSS market developments. We consider the Principles and Methods as proposed will allow us to consider any relevant factor or threshold in the circumstances which are current at the time. For the same reason, we do not consider it would be helpful for the Principles and Methods to outline instances that would trigger a designation review, or its frequency, as these may become outdated.
- 3.29 In relation to Radiocentre's suggestion that we take into account the size of the provider of the RSS in making recommendations, in accordance with the Act, we will recommend the designation of an RSS only where we consider the level of use to be significant.
- 3.30 The BBC suggested in their response that there should be a minimum period of time (at least two years) whereby an RSS's reach should consistently fall below the threshold before it is removed from regulation. The process for revocation of designation of an RSS is explained in section 362BD of the Act. The decision to revoke designation of an RSS is a matter for the Secretary of State.
- 3.31 Regarding the respondent % who said the Principles and Methods offered limited detail, we will provide the specifics of the significance criteria which we consider it appropriate to apply in our consultation later this year.

Our decision

3.32 Having carefully considered the responses provided by stakeholders, we have decided to proceed with our proposed principles and methods for assessing whether a level of use of a service is significant, as set out below.

Principles and Methods for a whether the level of use of a service is significant

We will set a threshold that we consider to be significant:

- a) When setting this threshold, we will seek ensure that relevant internet radio services are widely available to users of RSS.
- b) We will generally consider what level of use is significant every time we prepare a report. We will consider any relevant factors which may affect what is significant at that particular time, recognising that significance is context dependent. As such, where we have previously given recommendations, we will consider if the threshold used in that report is still appropriate.
- c) We will determine the threshold in a proportionate way. We will take into account that designation of an RSS will impose regulatory obligations on providers of RSS.

Generally, we will recommend the designation of an RSS at or above a threshold we consider to be a significant level of use. However, taking into account the other principles and methods in this statement, we may consider it appropriate not to recommend the designation of such an RSS. For example, we may not recommend the designation of an RSS if evidence suggests that the level of use is declining and is unlikely to be over the threshold for a reasonable period of time after

designation. We will explain why we have or have not recommended the designation of RSS that are at or above the threshold.

Additional relevant matters and general principles

- 3.33 In our report we must also include our assessment of any matters which we consider are likely to affect our assessment of the number of users of an RSS; the manner in which it is used; and whether the level of use is significant.
- 3.34 In our draft Principles and Methods statement, we said such matters may include the level of use by different audience groups, market indicators such as growth projections or other market factors contributing to the way in which audiences are accessing radio services via the RSS. We explained that the relevance of a factor was likely to depend on the circumstances at the time.
- 3.35 We also proposed to follow a set of general principles:
 - a) We will explain why we have taken a particular approach in our report and how that approach is consistent with the principles and methods set out in this statement.
 - b) However, we may consider it appropriate or necessary to follow different principles and methods to those set out in this statement. If we follow different principles and methods, then we will explain why we have done this.
 - c) We may use our information gathering powers in section 362BQ of the Act to gather evidence to inform our report.
 - d) We will publish the reports that we give to the Secretary of State.²⁹

What respondents said

- 3.36 Respondents were broadly supportive of our proposals, but a few made additional points.
- 3.37 News UK proposed that we consider the extent to which voice-activated software is available across devices for example, the pre-installation of RSS across devices. They also suggested that we take into account whether an RSS platform operates in other markets, such as advertising or search, which could be leveraged against IRS on matters such as discoverability.³⁰
- 3.38 Radiocentre agreed with our proposals.³¹ Radiocentre said that if we consider it necessary to depart from the principles and methods then we should provide a comprehensive explanation for this change and consult with industry in advance.

Our response

- 3.39 Regarding News UK's suggestion that we could consider the extent to which underlying RSS software is available such as being pre-installed across devices if we think this is an additional relevant factor we will set this out in our assessment.
- 3.40 In respect of News UK's view that we consider the extent that an RSS platform operates in other industries. We note that the Media Act sets out specific parameters for our assessment of each RSS i.e. the number of people using the service; the manner of use; and whether that use is significant; as well any other matters *relating to these factors*.³²

²⁹ Section 362BC(5) of the Act

³⁰ News UK response, p.4

³¹ Radiocentre response, p.10

³² Section 362BC of the Act

3.41 We will act transparently in implementing Part 6 of the Media Act. We will explain our methodology when assessing each RSS for the purposes of report to the Secretary of State. This will give stakeholders an opportunity to consider and respond to our proposed designation advice.

Our decision

3.42 Having carefully considered the responses provided by stakeholders, we have decided to proceed as set out below.

Principles and Methods for additional relevant matters

We will consider whether it would be appropriate to assess any other factors that are likely to affect the matters referred to above, taking into account our relevant statutory duties.

These matters may include level of use by different audience groups, market indicators such as growth projections or other market factors contributing to the way in which audiences are accessing radio services via the RSS. The relevance of these factors is likely to depend on the circumstances at the time we are preparing a report. We will also have regard to the Secretary of State's power to designate a radio selection service if the level of use is significant in certain circumstances (such as while in a vehicle as referred to in Section 362BB(2)).

General Principles of our Principles and Methods

We will explain why we have taken a particular approach in our report and how that approach is consistent with the principles and methods set out in this statement.

However, we may consider it appropriate or necessary to follow different principles and methods to those set out in this statement. If we follow different principles and methods, then we will explain why we have done this.

We may use our information gathering powers in section 362BQ of the Act to gather evidence to inform our report.

We will publish the reports that we give to the Secretary of State.

Supplementary question and other comments we received

- 3.43 In our consultation we discussed the merits of different sources of data we could use.
- 3.44 We said we had been considering the sources of data we could draw upon in our first report. Given changing listening patterns, we said we may place particular weight on current and recent data, as opposed to historic data sources, and may consider a broad range of information. The two main categories of sources we identified were audience-derived data, including established third-party surveys such as RAJAR and IPA TouchPoints and our own consumer research, and industry-derived data.
- 3.45 We included a supplementary question in our consultation asking for the views of respondents on potential sources of data for our first report.

What respondents said

3.46 Radiocentre and News UK agreed that using multiple data sources is an appropriate approach to inform designation decisions, but felt greater emphasis should be placed on independent data sources, particularly RAJAR, to inform assessments over data received from platforms which they considered would be harder to verify. Radiocentre said Ofcom should be transparent about how it uses RAJAR and streaming data to assess the number of users and manner of use.³³

Ofcom's response

3.47 We agree that RAJAR and third-party data sources are important to our understanding of how RSS are used and provide market context. We will explain how we have used different data sources, and why we have done so, in our first report.

Conclusion and next steps

- 3.48 Having considered the consultation responses, which are broadly supportive of our proposed statement, and having regard for our relevant duties under the Act,³⁴ we have decided to finalise our Statement of Principles and Methods without amendment.
- 3.49 We intend to follow our Principles and Methods and consider the responses that provided input to how we should approach making our recommendations in producing our first report to the Secretary of State on our recommendations for designation.
- 3.50 It is helpful to hear from stakeholders their views on the data we might use to make our recommendations and their thoughts on how we take forward our role in making recommendations. We will consider these points when developing our recommendations that we will consult on later this year, ahead of submitting our report for the Secretary of State's consideration.

³³ Radiocentre response, p.7

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³⁴ This includes our general duties under section 3 of Act.

A1. Statement of principles and methods

About this document

A1.1 This document is the Statement of Principles and Methods to be applied by Ofcom when preparing a report which makes recommendations to the Secretary of State regarding the designation of radio selection services under Section 362BC of the Communications Act 2003 ("the Act"). Section 362BC(7) of the Act requires Ofcom to produce and maintain a statement setting out these principles and methods.

Legal framework

- A1.2 The aim of the radio selection service regime in Part 3B of the Act is to ensure that audiences can access online steams of UK radio services in particular circumstances, namely when a listener makes a voice request to a radio selection service (we explain what a radio selection service is in the following section). To achieve this, the providers of designated radio selection services must ensure that when a listener asks for a particular UK radio service, the radio selection service plays that service. ³⁵ The regime also places other requirements on providers of designated radio selection services relating to the interruption or overlaying of the online stream with other content, ³⁶ and the method used to play the online stream. ³⁷ These requirements are subject to preferences set by users of designated radio selection services. ³⁸ Further, providers of designated radio selection services are prohibited from charging the providers of the online streams of UK radio stations for doing what they are required to do to comply with the regime. ³⁹
- A1.3 Online streams of radio services are called "internet radio services". 40 In summary, the radio selection service regime applies to internet radio services which correspond 41 to UK analogue or DAB radio services provided by the BBC or provided under a broadcasting licence issued by us. 42 These are called "relevant internet radio services" and will be included in a list maintained by us. 43
- A1.4 The Secretary of State may make regulations which designate specific radio selection services. 44 This power can only be exercised if the Secretary of State considers that the level of use of the radio selection service in the UK to listen to internet radio services is

³⁵ Section 362BI(1) of the Act.

³⁶ Section 362BI(2) of the Act.

³⁷ Section 362BI(3), (4) and (5) of the Act.

³⁸ Section 362BI(5) of the Act

³⁹ Section 362BI(6) of the Act.

⁴⁰ "Internet radio service" is defined in section 362BF of the Act.

⁴¹ "Correspond" has the meaning set out in section 362BG(4) of the Act.

⁴² The specific categories of analogue and DAB radio services which are within scope of the regime are set out in section 362BI(11).

⁴³ "Relevant internet radio service" is defined in section 362BG of the Act.

⁴⁴ Section 362BB(1) of the Act.

- "significant". This may be a level of use which the Secretary of State considers to be significant in certain circumstances, such as while in a vehicle.⁴⁵
- A1.5 The Secretary of State must have received a report from Ofcom before making or amending designation regulations. 46 Our report must set out recommendations on how the Secretary of State should exercise their regulation making powers. We may decide to prepare such a report on our own initiative. 47 Alternatively, the Secretary of State may ask us to prepare a report, in which case we must do so as soon as practicable. 48
- A1.6 The Act provides Ofcom with information gathering powers that can be used to obtain information that we consider necessary to inform our report to the Secretary of State. 49 These powers allow Ofcom to require information to be obtained or generated by the person receiving the request. 50
- A1.7 Ofcom must publish a statement about the principles and methods it will apply when preparing a report for the Secretary of State. This document is that statement. We may revise or replace this statement.⁵¹
- A1.8 A more detailed legal framework is set out in Annex 2.

Principles and methods for preparing our report on designation of radio selection services

What is a radio selection service?

- A1.9 A radio selection service or RSS is a service provided via the internet which enables (or among other things enables) the user to do the following things by giving "spoken commands" recorded by equipment connected to the internet:
 - a) to make a selection between internet radio services provided by different providers; and
 - b) to cause a selected internet radio service to play.⁵²
- A1.10 In order to fall within the definition of an RSS, a service must be able to play internet radio services in response to a voice command from a user. Services that don't directly play streams of internet radio services (for example, those that are only capable of providing links for users to access radio streams) would not meet the definition of a 'radio selection service' under the Act.

How Ofcom will make assessments

⁴⁵ Section 362BB(2) of the Act.

⁴⁶ Section 362BB(3) of the Act.

⁴⁷ Section 362BC(1) of the Act.

⁴⁸ Section 362BC(2) and (3) of the Act.

⁴⁹ Section 362BQ of the Act.

⁵⁰ Section 362BQ(2) of the Act.

⁵¹ Section 362BC(7) and (8) of the Act.

⁵² Section 362BA(1) of the Act. The Secretary of State may modify the definition of "radio selection service" under section 362BA(2) of the Act. Ofcom will apply the definition in force at the time of preparing a report.

- A1.11 Section 362BC(3) of the Act sets out the matters Ofcom must consider when preparing a report making recommendations about the exercise of the Secretary of State's power to designate an RSS. A report prepared by Ofcom must include an assessment, in relation to each RSS in question, of:
 - a) the number of members of the public using the service;
 - b) the manner in which the service is used by those persons;
 - c) whether the level of use of the service is significant; and
 - d) such matters as OFCOM consider likely to affect the matters referred to in paragraph (a), (b) or (c). 53
- A1.12 We set out below the principles and methods we will apply when assessing these matters.

(a) The number of members of the public using the service

- A1.13 Ofcom will assess the number of members of the public using the RSS to listen to internet radio services. 54 To achieve this:
 - a) We will use the best available evidence to provide an objective and reliable basis for measuring the number of people in the UK using each RSS to listen to internet radio services.
 - b) If we consider individual user numbers cannot be measured reliably, we may use a proxy for user numbers. We may take an approach that involves combining more than one metric or proxy.
 - c) We will apply a consistent methodology to our assessment of each RSS to ensure fair treatment.

(b) The manner in which the service is used by those persons

A1.14 We will generally take account of the different ways in which an RSS can be used to listen to internet radio services. We may consider a broad range of information (such as where listening is taking place (home, car etc), how often and for how long users are listening to internet radio) in our approach.

(c) Whether the level of use of the service is significant

- A1.15 We will set a threshold that we consider to be significant:
 - a) When setting this threshold, we will seek ensure that relevant internet radio services are widely available to users of RSS.
 - b) We will generally consider what level of use is significant every time we prepare a report. We will consider any relevant factors which may affect what is significant at that particular time, recognising that significance is context dependent. As such, where we have previously given recommendations, we will consider if the threshold used in that report is still appropriate.
 - c) We will determine the threshold in a proportionate way. We will take into account that designation of an RSS will impose regulatory obligations on providers of RSS.

⁵³ Section 362BC of the Act.

⁵⁴ The Secretary of State must consider that the level of use of a RSS in the UK to listen to internet radio services is significant in order to designate it (section 362BB(2) of the Act).

A1.16 Generally, we will recommend the designation of an RSS at or above a threshold we consider to be a significant level of use. However, taking into account the other principles and methods in this statement, we may consider it appropriate not to recommend the designation of such an RSS. For example, we may not recommend the designation of an RSS if evidence suggests that the level of use is declining and is unlikely to be over the threshold for a reasonable period of time after designation. We will explain why we have or have not recommended the designation of RSS that are at or above the threshold.

(d) Any other matters Ofcom considered likely to affect the above

- A1.17 We will consider whether it would be appropriate to assess any other factors that are likely to affect the matters referred to above, taking into account our relevant statutory duties. 55
- A1.18 These matters may include level of use by different audience groups, market indicators such as growth projections or other market factors contributing to the way in which audiences are accessing radio services via the RSS. The relevance of these factors is likely to depend on the circumstances at the time we are preparing a report. We will also have regard to the Secretary of State's power to designate a radio selection service if the level of use is significant in certain circumstances (such as while in a vehicle as referred to in Section 362BB(2)).

General principles

- A1.19 We will explain why we have taken a particular approach in our report and how that approach is consistent with the principles and methods set out in this statement.
- A1.20 However, we may consider it appropriate or necessary to follow different principles and methods to those set out in this statement. If we follow different principles and methods, then we will explain why we have done this.
- A1.21 We may use our information gathering powers in section 362BQ of the Act to gather evidence to inform our report.
- A1.22 We will publish the reports that we give to the Secretary of State.⁵⁶

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⁵⁵ Our relevant statutory duties are set out in the annex to this statement.

⁵⁶ Section 362BC(5) of the Act.

A2. Legal Framework

Legal Framework

- A2.1 This Annex sets out the statutory framework regarding the designation of radio selection services (RSS) under Part 3B of the Communications Act 2003 (the Act), which was inserted into the Act by Part 6 of the Media Act 2024. This Annex is only a summary of the relevant provisions, it is not a substitute for reference to the statute.
- A2.2 Also relevant are Ofcom's general duties in carrying out its functions, to further the interests of citizens in relation to communications matters and consumers in relevant markets, where appropriate, by promoting competition.⁵⁷ In doing so, Ofcom must have regard to a number of matters including the desirability of encouraging investment and innovation in relevant markets.⁵⁸
- A2.3 In performing its general duties, Ofcom must have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent, and targeted only at cases in which action is needed, and any other principles appearing to Ofcom to represent the best regulatory practice.⁵⁹
- A2.4 As explained further below, RSS that are designated by the Secretary of State (designated RSS or DRSS) will have to comply with various statutory obligations related to access to relevant internet radio services. ⁶⁰

Radio selection services

- A2.5 The Act defines an RSS as "a service provided by means of the internet which enables, or among other things enables, a user of the service—(a) to make a selection between internet radio services 1 provided by different providers, and (b) to cause a selected internet radio service to play, by giving spoken commands that are recorded by equipment connected to the internet." 62
- A2.6 The Secretary of State may by regulations amend the definition of "radio selection service". ⁶³ The amendments that may be made by the Secretary of State include adding, removing or altering a thing that a radio selection service is to enable a user to do. ⁶⁴

Designated radio selection services

⁵⁷ Section 3(1) of the Act.

⁵⁸ Section 3(4)(a) of the Act.

⁵⁹ Section 3(3) of the Act.

⁶⁰ Section 362BI of the Act.

⁶¹ Section 362BF of the Act defines an internet radio service as "a service, or a dissociable section of a service, which consists in the provision by a person of programmes consisting wholly of sound (together with any ancillary services) with a view to their being made available for reception by members of the public by being distributed by means of the internet (whether by the provider of the service or another person)".

⁶² Section 362BA(1) of the Act.

⁶³ Section 362BA(2) of the Act.

⁶⁴ Section 362BA(3) of the Act.

- A2.7 A "designated radio selection service" (DRSS) is a radio selection service designated by the Secretary of State by regulations. ⁶⁵
- A2.8 The Secretary of State may designate a radio selection service only if the Secretary of State considers that the level of use of the service in the United Kingdom to listen to internet radio services is significant (and the Secretary of State may consider the level of use to be significant if the Secretary of State considers it to be significant in certain circumstances, such as while in a vehicle). 66

Ofcom's report to the Secretary of State

- A2.9 Before the Secretary of State can make regulations designating a RSS, the Secretary of State must have received a report from Ofcom, containing Ofcom's recommendations on the exercise by the Secretary of State of their powers to make regulations to designate the radio selection service in question.⁶⁷
- A2.10 Ofcom may decide on its own initiative to provide the Secretary of State with a report. 68 Alternatively, the Secretary of State may request a report from Ofcom, in which case we must prepare one as soon as practicable. 69
- A2.11 Ofcom's report must include our assessment, in relation to each radio selection service in question, of
 - a) the number of members of the public using the service;
 - b) the manner in which the service is used by those persons;
 - c) whether the level of use of the service is significant;
 - d) such matters as we consider likely to affect the matters referred to in paragraph (a), (b) or (c). 70
- A2.12 Ofcom must provide such a report to the Secretary of State and we must also publish it. 71
- A2.13 Ofcom's role in preparing reports for the Secretary of State is limited to recommendations on the Secretary of State's power to designate RSS. There is no statutory power for Ofcom itself to designate an RSS.
- A2.14 If the Secretary of State exercises their power to designate in a manner which differs from recommendations made in Ofcom's report, the Secretary of State must publish, no later than the time at which the regulations are made, a statement of the reasons for doing so.⁷²

⁶⁵ Section 362BB(1) of the Act.

⁶⁶ Section 362BB(2) of the Act.

⁶⁷ Section 362BC (2)(a) of the Act.

⁶⁸ Section 362BC(1) of the Act.

⁶⁹ Section 362BC(2) and (3) of the Act.

⁷⁰ Section 362BC(4) of the Act.

⁷¹ Section 362BC(5) of the Act.

⁷² Section 362BC(6) of the Act.

Ofcom's statement of principles and methods

- A2.15 Ofcom must prepare and publish a statement about the principles and methods we will apply in preparing a report to the Secretary of State making recommendations about the exercise of their powers to make designation regulations.
- A2.16 We may revise or replace that statement and must publish the revised or replaced statement.⁷³

List of relevant internet radio services

- A2.17 The new regime requires providers of designated RSS to comply with requirements relating to the provision of "relevant internet radio services". These are internet radio services which are included in a list maintained by Ofcom.
- A2.18 These are the conditions that must be satisfied in order for an internet radio service to be included in the list (and become a relevant internet radio service):
 - a) the provider of the service has in place an effective system or process for securing that the service "corresponds" to a UK radio service that is provided by them. An internet radio service corresponds to a UK radio service if (disregarding advertisements) all of the programmes included in the internet radio service are broadcast on the UK radio service at the same time as they are provided by the internet radio service; and
 - b) the provider of an internet radio service has given notice to Ofcom requesting that the service be included in the list.
- A2.19 Providers of UK radio services are not required to make online streams of their services available. Where a provider of a relevant internet radio service decides to cease provision of the online stream, they must notify Ofcom. Ofcom would remove the service from the list and it would accordingly no longer be a relevant internet radio service.⁷⁴

Effect of designation

- A2.20 Where an RSS is designated, the provider of the DRSS must comply with the new regime. A summary of the requirements applying to DRSS providers is set out below.
- A2.21 First, the provider of a DRSS must take all reasonable steps to secure that users can select relevant internet radio services, and cause them to play, by giving spoken commands.⁷⁵
- A2.22 Second, the provider of a DRSS must take all reasonable steps to secure that, where the DRSS is used as described the previous paragraph, no items are played before the selected internet radio service, and there are no interruptions to the internet radio service. The prohibition on playing items before the selected internet radio service has some exceptions:
 - a) a brief identification of the selected internet radio service can be played;

⁷³ Section 362BC(8) of the Act.

⁷⁴ Section 362BG(5) of the Act. The service may be removed from the list by notice from the provider of the service; and the provider must give notice to Ofcom if they cease to be the provider of the internet radio service or the corresponding UK radio service, or if provision of the internet radio service has ceased.

⁷⁵ Section 362BI(1) of the Act.

- b) if the DRSS uses another internet service to cause the selected internet radio service to play, a brief identification of that other internet service can be played; and
- c) one or more advertisements can be played, if the provider of the selected internet radio service agrees.⁷⁶
- A2.23 Third, if the provider of a relevant internet radio service requests the provider of a DRSS to secure that the service employs a particular method as regards that relevant internet radio service, the DRSS provider must take all reasonable steps to secure that method is used when playing the selected internet radio service.⁷⁷
- A2.24 Finally, providers of DRSS are prohibited from charging the providers of relevant internet radio services for doing what DRSS providers are required to do to comply with the requirements described above.⁷⁸
- A2.25 The Act requires Ofcom to issue a code of practice recommending actions that DRSS providers should take when seeking to ensure that they comply with these requirements. Providers of DRSS are also required to draw up and publish a statement about how they intend to comply with the requirements. 80

Economic growth duty

- A2.26 Section 108 of the Deregulation Act 2015 sets out Ofcom's duty to have regard to the desirability of promoting economic growth when exercising its regulatory functions. In order to consider the promotion of economic growth, Ofcom will exercise its regulatory functions in a way that ensures that:
 - a) regulatory action is taken only when it is needed; and
 - b) any action taken is proportionate.81
- A2.27 The government's statutory guidance on this duty recognises drivers of economic growth to include innovation and competition.

Public sector equality duty

A2.28 Section 149 of the Equality Act 2010 (the 2010 Act) imposes a duty on Ofcom, when carrying out its functions, to have due regard to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct related to the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation. The 2010 Act also requires Ofcom to have due regard to the need to advance equality of opportunity and

⁷⁶ Section 362BI(2) of the Act. Section 362BI(5) provides that these obligation on DRSS providers do not require the provider to override user preferences as to the way in which the DRSS operates.

⁷⁷ Section 362BI(3) and (4) of the Act. Section 362BI(5) provides that these obligation on DRSS providers do not require the provider to override user preferences as to the way in which the DRSS operates.

⁷⁸ Section 362BI(6) of the Act.

⁷⁹ Section 362BK of the Act.

⁸⁰ Section 362BJ of the Act.

⁸¹ Section 108(2)(b) of the Deregulation Act 2015.

- foster good relations between persons who share specified protected characteristics and persons who do not.
- A2.29 Section 75 of the Northern Ireland Act 1998 (the 1998 Act) also imposes a duty on Ofcom, when carrying out its functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and have regard to the desirability of promoting good relations across a range of categories outlined in the 1998 Act. Ofcom's Revised Northern Ireland Equality Scheme explains how we comply with our statutory duties under the 1998 Act.

Welsh language duty

- A2.30 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. The standards issued to Ofcom are listed in Ofcom's compliance notice effective from 25 January 2017.
- A2.31 The Welsh Language Policy Making Standards require Ofcom to assess (a) opportunities for persons to use the Welsh language, and (b) treating the Welsh language no less favourably than the English language, when formulating a new policy or reviewing or revising an existing policy.

A3. Impact assessments

Impact assessment

- A3.1 Section 7 of the Communications Act 2003 requires us to carry out and publish an assessment of the envisioned impact of implementing a proposal which would be likely to have a significant impact on businesses or the general public, or when there is a major change in Ofcom's activities. Impact assessments help us to understand the policy decisions we have decided to take and why we consider those decisions best fulfil our applicable duties and objectives in the least intrusive way. 82
- A3.2 The analysis presented throughout the consultation (in particular section 4)provided our assessment of the impact of our proposals and constituted an impact assessment, as defined by section 7 of the Act. Section 3 of this Statement sets out our responses to stakeholder comments and our decisions, including our final assessment of the impact of the principles and methods we will apply when preparing a report for the Secretary of State. That report will be prepared for an advisory function, where the decision on the implementation of the recommendations it contains will be taken by the Secretary of State.
- A3.3 We will carry out a further impact assessment when producing a report of recommendations for the Secretary of State.

General duties

- As set out in Annex 2, the Act imposes on Ofcom general duties when carrying out its functions. We consider that the decisions we have reached in this Statement are consistent with those duties. As noted above, the Statement of Principles and Methods is prepared for the purposes of preparing advice, with the Secretary of State deciding on the implementation of the recommendations in our report. Having clear and appropriate principles on which we will base our report will ensure that the Secretary of State will have full and appropriate information on which to base their designation decisions, helping to achieve the objective of public service broadcasting being widely available. We consider that the principles and methods in Annex 1 will therefore further the interests of citizens in relation to communications matters and consumers in relevant markets.⁸³
- A3.5 In finalising the Statement of Principles and Methods, we have had regard to our relevant statutory duties. We have also had regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent, and targeted only at cases in which action is needed. We consulted on our proposed principles and methods, and have considered and responded to stakeholder responses in this document. The reasons for our decisions are set out in this Statement.
- A3.6 We have had regard to the desirability of promoting economic growth in reaching a decision on the Statement of Principles and Methods. We will continue to have regard to the economic growth duty when preparing our report for the Secretary of State. We

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⁸² Ofcom, Impact assessment guidance, 2023.

⁸³ Section 3(1) of the Act.

⁸⁴ Section 3(3) of the Act.

consider the principles and methods we have established will ensure that we are exercising our regulatory functions in a way that ensures that regulatory action is taken only when it is needed and that any action taken is proportionate, while recognising that innovation and competition are drivers of economic growth.⁸⁵

Equality impact assessment

- A3.7 Section 149 of the Equality Act 2010 (the '2010 Act') imposes a duty on Ofcom, when carrying out its functions, to have due regard to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct related to protected characteristics under the 2010 Act. ⁸⁶ The 2010 Act also requires Ofcom to have due regard to the need to advance equality of opportunity and foster good relations between persons who share specified protected characteristics and persons who do not.
- A3.8 Ofcom has separate but complementary duties under Northern Ireland's equality legislation.⁸⁷ This requires Ofcom to screen policies for their impact on equality of opportunity and/or good relations in each of the nine equality categories identified for Northern Ireland.
- As set out above, the Statement of Principles and Methods is being prepared in relation to an advisory function. We explained in Annex 3 to our consultation that we did not expect the proposed principles and methods to have any adverse equality impacts. We did not receive any comments on our assessment. As set out in this Statement, we have decided to proceed with our principles and methods as proposed and therefore confirm that we do not expect the principles and methods we are proposing to have any adverse equality impacts.
- A3.10 We will carry out an equality impact assessment when preparing a report for the Secretary of State.

Welsh language

- A3.11 The Welsh language has official status in Wales. ⁸⁸ To give effect to this, certain public bodies, including Ofcom, are required to comply with Welsh language standards in relation to the use of Welsh, including the general principle that Welsh should not be treated less favourably than English in Wales. ⁸⁹ Accordingly, we have considered the potential impact of our review on (i) opportunities for persons to use the Welsh language; and (ii) treating the Welsh language no less favourably than the English language.
- A3.12 We explained in Annex 3 to our consultation that we considered that the principles and methods we have proposed would not treat the Welsh language differently to the English language or have any impact on opportunities for persons to use the Welsh language.

⁸⁵ Section 108(2)(b) of the Deregulation Act 2015.

⁸⁶ These protected characteristics are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

⁸⁷ Section 75 of the Northern Ireland Act 1998.

⁸⁸ Section 1(1), Welsh Language (Wales) Measure 2011.

⁸⁹ The Welsh language standards with which Ofcom is required to comply are available on our website.

- A3.13 We did not receive any comment on our assessment. As set out in this Statement, we have decided to proceed with our principles and methods as proposed and therefore confirm that we do not expect them to treat the Welsh language differently to the English language or have an impact on opportunities for persons to use the Welsh language.
- A3.14 We will also carry out a Welsh language impact assessment when producing our report for the Secretary of State.