

# Local news and information on analogue commercial radio

Implementing Part 5 of the Media Act 2024

#### **Consultation**

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#### 1. Overview

- 1.1 Local news and information play an important role in society. Access to this content helps to support local democracy and ensure councils and other local institutions are held to account. It also helps communities stay informed about local information and events, which in turn can aid social cohesion and community engagement.
- 1.2 The Media Act 2024 ('the Act') has changed Ofcom's statutory powers and duties regarding the regulation of commercial radio. Many of these changes are deregulatory. Alongside these deregulatory changes, the Act also safeguards the provision of local news and information by introducing new requirements regarding the regular broadcasting of local news and information on local analogue commercial radio stations.
- 1.3 This consultation document sets out how we propose to implement the new statutory framework relating to the provision of local news and information on local analogue commercial radio stations.
- 1.4 We must include such conditions as we consider appropriate in these stations' licences, requiring them to broadcast local news and information regularly, including "locally-gathered" news, but have the discretion not to include such conditions if we think it appropriate not to do so. We are also required to publish guidance as to how we consider licensees may act consistently with these new licence conditions.
- 1.5 In Section 2 of this document, we summarise the relevant legal framework and provide some background information, including on the value of local news and information. Section 3 then sets out our policy proposals in full, including the specific conditions that we propose to include in licences, and next steps. View our <u>proposed guidance</u> on how licensees may act consistently with these conditions.

#### What we are proposing – in brief

- All local analogue commercial radio stations apart from those with a very low turnover must provide local news at least hourly during daytime weekdays (06.00-19.00) and at least three times during peak time weekends (07.00-12.00).
- The local news must consist of or include some which has been **locally-gathered**, which will require journalists to be physically present in the relevant areas. However, we do not propose to specify how much local news must be locally-gathered or how frequently it should be broadcast.
- Stations with a very low turnover will only be required to broadcast local news three times during each of the following time periods: peak time weekday mornings (06.00-10.00), peak-time weekday afternoons (16.00-19.00) and peak time weekends (07.00-12.00). They will not need to include news which has been locally-gathered.
- All stations must broadcast local information regularly throughout daytime weekdays and weekends (06.00-19.00).
- Licensees will be required to be transparent about how they are meeting their licence conditions through continued use of the **Public File**.

### 2. Background & context

#### Introduction

- 2.1 Part 5 of the Act made significant changes to Ofcom's powers and duties in respect of licensed FM and AM commercial radio services. For local commercial radio stations in particular, it removed the duty on Ofcom to secure the 'character of service' of each service (including the types of music they play), as well as Ofcom's duty to secure that local material, including locally-made programming, is broadcast. These changes have already been implemented by Ofcom through variations to the 'Format' of local analogue commercial radio service licences.
- 2.2 Government and Parliament also recognised in the Act the important role local radio stations play in providing local news and information to listeners. Specifically, the Act introduced a new duty on Ofcom to include such conditions in licences as it considers appropriate for requiring the regular broadcast on local radio stations of local news and information, including locally-gathered news.
- 2.3 This consultation focuses on how we propose to implement these new requirements for local analogue commercial radio stations. In particular, we are consulting on new licence conditions relating to the provision of:
  - a) Local news,
  - b) Locally-gathered news, and
  - c) Local information
- 2.4 We are also consulting on proposed new guidance that sets out how we consider licensees may act consistently with these proposed new licence conditions, and a proposed amended licence condition on the 'Public File'.

#### Legal framework

- 2.5 In this section we explain the background to this area of Part 5 of the Act and the key changes it has made to Ofcom's powers and duties in relation to local analogue commercial radio stations.
- 2.6 The Act changed, by updating the Broadcasting Act 1990 ('BA90') and the Communications Act 2003 ('CA03'), how Ofcom is required to regulate commercial radio. As noted above, many of these changes were deregulatory, and reflect the intentions set out in the Government's policy statement of December 2017. The White Paper which preceded the Media Act also set out the then Government's intention to "remove outdated character of service requirements such as music formats and reform the current rules on where local radio programmes are produced, while at the same time strengthening requirements for its vital local news and information services".

#### Previous regulatory framework

2.7 Before the Act came into force, local analogue commercial radio was regulated under a licensing framework established 35 years ago by the BA90. Under this framework, Ofcom was required to:

- Secure the character of a local service proposed by a licensee when applying for its licence by including such conditions as Ofcom deemed appropriate in the licence (section 106 BA90);
- b) Carry out our functions in relation to local sound broadcasting in the way best calculated to ensure that programmes consisting of or including local material were broadcast, and that a suitable proportion of those programmes were locally-made. Local material included local news and information (section 314 CAO3).
- 2.8 These statutory requirements were secured by including a 'Format' in each local analogue licence. This specified, amongst other things, how often a station was required to broadcast local news, how much locally-made programming a station was required to broadcast, and an overall requirement to be local in character.
- 2.9 In many licences, how often a station was required to broadcast local news was linked to how much locally-made programming it provided. Stations broadcasting more locally-made programming were required to broadcast local news less frequently. These requirements did not apply to all stations. Some had bespoke local news arrangements arising from proposals made when the licence was applied for, and some stations were exempted, as allowed for by the statute.
- 2.10 Most local stations had a requirement to provide a locally-relevant service, and our guidance highlighted types of content (e.g. travel news, weather) which could help a station deliver such a service, but we did not specify how regularly local information should be broadcast.
- 2.11 Alongside the 'Format', Ofcom also required licensees to maintain and publish a 'Public File', which provides (for Ofcom and listeners) an understanding of each licensees' output and how it complies with its localness and character of service requirements.

#### Regulatory framework under the Media Act

- 2.12 In the 35 years since the statutory framework set out above was established, there has been a huge expansion in choice for listeners, primarily due to the development of new platforms such as DAB and online. This has allowed hundreds of new radio stations to launch serving a vast range of tastes and interests.
- 2.13 This is important context for the Act, which has:
  - a) Removed Ofcom's duties to secure the character of a local service and the broadcast of local material (including locally-made programming). We have already removed licence conditions relating to the character of service and locally-made programming. However, licence conditions imposed under the previous statutory framework relating to local news have been retained, pending the outcome of this consultation process;<sup>1</sup> and
  - b) Amended section 314(1) of the CA03 to require Ofcom to include such licence conditions in local sound broadcasting service licences as we consider appropriate for requiring those services to include, and regularly broadcast, programmes that consist of or include local news and information; and requiring that local news to consist of or include locally-gathered news.

<sup>&</sup>lt;sup>1</sup> In particular, licensees' existing licence conditions in relation to local news have been retained in accordance with regulation 4 of the Media Act 2024 (Commencement No. 2 and Transitional and Saving Provisions) Regulations 2024. This provides that existing conditions relating to local news are to be treated as if they were imposed under section 314(1)(a) of the CA 03 (as amended by the Media Act 2024).

- 2.14 However, section 314(1A) of the CAO3 provides that the requirement in section 314(1) does not apply in the case of a particular local sound broadcasting service if Ofcom consider it appropriate for it not to apply in that case.
- 2.15 Section 314(7) of the CA03 defines 'local news and information' as news and information which is of particular interest:
  - a) to persons living or working within the area or locality for which the service is provided;
  - b) to persons living or working within a part of that area or locality; or
  - c) to particular communities living or working within that area or locality or a part of it.
- 2.16 Section 314(8) of the CA03 also provides that references to persons living or working within an area or locality include references to persons undergoing education or training in that area or locality.
- 2.17 The same section defines 'locally-gathered' as:
  - a) news gathered in the coverage area of a local radio multiplex service that to a significant extent includes the coverage area of the local sound broadcasting service by persons who gather news in the course of an employment or business; or
  - b) if there is no local radio multiplex service with such a coverage area, news gathered in the area or locality for which the local sound broadcasting service is provided by persons who gather news in the course of an employment or business.
- 2.18 Section 314(2) of the CA03 also requires Ofcom to:
  - a) publish guidance as to how we consider the providers of local sound broadcasting services may act consistently with the conditions in their licences relating to local news and information, including locally-gathered news; and
  - b) have regard to that guidance in carrying out our functions under section 314(1) of the CA03.
- 2.19 Ofcom may revise its guidance from time to time and is required, before publishing its guidance (or any revision to it), to consult certain persons in accordance with section 314(5) CA03.

#### Our general duties

- 2.20 In addition to the specific statutory duties summarised above, Ofcom has a range of general duties that are relevant to the exercise of its functions in this area. In particular, Ofcom's principal duty, in carrying out its functions, is to further the interests of citizens in relation to communications matters; and to further the interests of consumers in relevant markets, where appropriate by promoting competition.
- Ofcom also has a general duty to (i) secure the availability throughout the United Kingdom of a wide range of television and radio services which (taken as a whole) are both of high quality and calculated to appeal to a variety of tastes and interests, and (ii) secure the maintenance of a sufficient plurality of providers of different television and radio services. We carry out our duties by granting broadcast licences which include licence conditions we consider are appropriate in light of our duties.
- 2.22 Ofcom is required to have regard in performing its duties 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 best regulatory practice.

- 2.23 Section 108 of the Deregulation Act 2015 also requires Ofcom 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.
- 2.24 The government's statutory guidance on this duty recognises drivers of economic growth to include innovation and competition.

#### **Impact Assessments**

- 2.25 Section 7 of the CA03 requires us to carry out and publish an assessment of the likely 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 potential impact of our policy decisions before we make them. They also help us explain 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.
- 2.26 As a matter of policy Ofcom is committed to carrying out and publishing impact assessments in relation to the great majority of our policy decisions, although the form of that assessment will depend on the particular nature of the proposal. Our <a href="impact assessment guidance">impact assessment guidance</a> sets out our general approach to how we assess and present the impact of our proposed decisions.
- 2.27 We also have statutory obligations which require us to consider the impact on specific groups of persons when formulating policy proposals. These are:
  - a) our public sector equality duties under section 149 of the Equality Act 2010 (the "Equality Act") and section 75 of the Northern Ireland Act 1998 (the "NI Act") including potential impacts on the groups of persons identified in those sections as having protected characteristics;
  - b) potential impacts on the needs and interests of groups of persons identified in section 3(4) of the CA03. This includes the needs of persons with disabilities, of the elderly and of those on low incomes; and
  - c) where the Welsh Language Standards are engaged, potential impacts on opportunities to use Welsh and treating Welsh no less favourably than English.
- 2.28 Section 3 of this document contains our provisional assessment of the impact of our policy proposals for the purposes of section 7 of the CAO3. We have integrated our impact assessment for each of our specific proposals throughout Section 3, and therefore within our broader discussion of why we consider these proposals are appropriate. The impact assessment in Section 3 draws on Ofcom's provisional cost assessment in Annex 1.
- 2.29 Annex 2 sets out our provisional impact assessment regarding the impact of our proposals on persons that share protected characteristics under the Equality Act and NI Act and other groups of persons. It also sets out our provisional assessment of the impacts of our proposals on the Welsh Language.

#### The importance of local news and information

- 2.30 This consultation focuses on the implementation of the new statutory regime relating to local news and information under Part 5 of the Act.
- 2.31 As we set out in the overview, local media, and particularly local news, plays an important role in society. It can help to deliver important benefits by supporting local democracy and holding councils and other local institutions to account. Local media and news can help communities stay informed about local information and events, which in turn can help to promote social cohesion and community engagement.
- 2.32 The provision of local news and information on radio remains important. Despite broader changes in the way people consume local media, local commercial radio remains a key medium for people to access local news and information: just under half of all UK adults listened to local commercial radio in 2024 (48%)<sup>2</sup> and over a fifth of UK adults (22%)<sup>3</sup> specifically reported using local commercial radio as a source of local news and information in 2023.
- 2.33 Local radio can provide a relevant, timely, accurate and trusted source of local news and information and contribute to news plurality. It can also be a convenient way to learn about local news, as it is made available alongside other content (e.g. music) compared to online, TV and sources where news often needs to be actively sought out<sup>4</sup>. Radio can be particularly helpful in informing listeners about breaking news: over half of listeners to local commercial radio (54%) agree with the statement "I rely on my radio station to keep me up to date with breaking news" and participants in our research reported that hearing a story on radio helped them to look into a news item in more detail <sup>5</sup>.
- 2.34 42% of weekly local commercial radio listeners said they particularly valued local news on the radio, followed by national news and local information such as local traffic and travel (both 29%), and weather (26%)<sup>6</sup>. Six in ten local commercial radio listeners agree with the statement "I rely on local radio to keep me up to date with local news".<sup>7</sup> When asked about the frequency of local news bulletins on commercial radio most felt that this was about right<sup>8</sup>. The general view was that, as news could change so quickly, listeners may miss bulletins if they were less frequent (and if they were not on the hour, they may be less easy to find).
- 2.35 The responses to the <u>Government's 2017 consultation on Commercial Radio Deregulation</u> also revealed support for maintaining requirements for commercial radio stations to provide local news and core information, such as traffic and travel information and weather.

<sup>&</sup>lt;sup>2</sup> RAJAR Q4 2024, UK adults 15+, Individual station TSAs, 12-month weight

<sup>&</sup>lt;sup>3</sup> Ofcom Local Media Survey <u>Local Media Survey</u>, slide 13

<sup>&</sup>lt;sup>4</sup> Our qualitive research for the 2024 Local Media Review found that local radio provides a convenient means of receiving traffic updates, and many people welcomed hearing about local news more generally.

<sup>&</sup>lt;sup>5</sup> IPA TouchPoints SuperHub 2023-24

<sup>&</sup>lt;sup>6</sup> Ibid.

<sup>&</sup>lt;sup>7</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> Ofcom's Review of local media in the UK

### 3. Our proposals

3.1 In this section, we set out our proposals regarding the licence conditions that we consider it would be appropriate to apply to local analogue commercial radio licences regarding local news and information, our reasoning, and next steps. We consider what licence conditions are appropriate; firstly, in respect of local news provision in general (including its frequency); secondly, in respect of locally-gathered news; thirdly, in respect of local information; and finally, in respect of the maintenance of a Public File.

#### **Local news**

3.2 Ofcom is required by the Act to include such conditions as we consider appropriate in the licence of each local analogue commercial radio station, for requiring local news to be "regularly broadcast". The Act also provides Ofcom with the discretion not to include such conditions in licences where we consider it is appropriate for these requirements not to apply.

#### **Proposed condition**

For the reasons set out below, we are proposing that for the majority of licensed radio services the following new licence condition be added to their licence<sup>9</sup>:

Local news must be broadcast on the Licensed Service at least hourly between 06.00 to 19.00 (inclusive) on weekdays and on at least three suitably spaced occasions between 07.00 to 12.00 on weekends.<sup>10</sup>

- 3.4 As noted in Chapter 2 above, reliable and accurate local news continues to play a valuable role in the lives of people across the UK and in society more broadly. It can provide a dependable source of up-to-date news and information for local listeners and help to support local democracy and hold power to account.
- 3.5 Our proposal above recognises the importance of local news, and has been designed to ensure that local news is broadcast regularly at times which mean it is likely to be of the greatest benefit to listeners. This is because it ensures that news is broadcast when the largest proportion of radio listening takes place: between 06.00 and 19.00 on weekdays includes the peak times of breakfast and drivetime, as well as daytime programming. At weekends, we are proposing news be broadcast regularly during the breakfast peak times, which our proposals recognise tend to start later than breakfast shows on weekdays.
- 3.6 This level of news requirement, which we are calling "full service" for ease of reference, is similar to what we have to date termed an "enhanced" service.
- 3.7 The majority of stations already provide the level of service described in our proposed licence condition. Requiring stations to provide local news at least hourly throughout

<sup>&</sup>lt;sup>9</sup> As explained in footnote 1 above, licensees' existing licence conditions in relation to local news were retained by way of regulation 4 of the Media Act 2024 (Commencement No. 2 and Transitional and Saving Provisions) Regulations 2024. At the same time as adding the proposed new licence condition set out above, we also propose to remove any existing licence conditions in relation to local news.

<sup>&</sup>lt;sup>10</sup> We also propose that the definition of local news as set out in section 314(7) of the CA03 will also be incorporated into the licence.

weekdays will mean that listeners should continue to benefit from the regular provision of local news on their local station; and not experience a reduction in the amount of local news they can access through local commercial radio. We note that many of the respondents to our recent research<sup>11</sup> said they were satisfied with the current frequency of local news they received on commercial radio, which, on the majority of stations, is at the full service level. We are proposing that this condition will be supported by a transparency requirement, meaning that services must describe how they meet this requirement in their Public File.

- 3.8 Aside from the small number of licensed radio services with a very low turnover (which we discuss from paragraph 3.29 below), we propose to apply this requirement consistently across all licences. The vast majority of services already broadcast local news at a frequency that is equivalent to our full service proposal.
- 3.9 Although most licensed services already provide a full service and many others provide close to a full service, for some the changes we are proposing will require an increase in their local news provision. There are 241 licensed radio services in total, of which 193 should be unaffected by our proposals as they already provide the equivalent of a full service. Of the remaining services, we identify 41 licensed (33 FM and 8 AM licensed services) that currently have a lesser (or no) regulatory requirement in relation to local news and that would be subject to a full service requirement under our proposals. However, we understand that 20 of these FM licensed services already broadcast local news more frequently than they are required to, and broadly in line with the proposed full service requirement, so we would not expect them to incur any (or not any significant) additional costs from our proposals.
- 3.10 For the remaining 21 licensed services that would need to provide a full service of local news, we have estimated the additional costs as equivalent to an average upfront cost of £1,500 and ongoing costs of under £16,000 per station per annum. There may be considerable variation from the average in ongoing costs of moving to full service requirements. For nine of the licensed services the increase in costs to meet the full service requirement is likely to be a lot lower than this average. Our modelling suggests that additional costs would be more concentrated on the remaining 12 licensed services (further detail is set out in out in Annex 1).
- 3.11 We note that there are an additional seven licensed services that we propose should not be subject to a full service requirement, but subject only to peak time requirements. This is discussed further from paragraph 3.29.

#### Other options considered

3.12 We have considered whether a requirement to broadcast local news bulletins at least hourly during peak times only would be appropriate. However, most stations are currently required to provide news across the day. A requirement to broadcast local news at peak times only would mean a potential reduction in the overall amount of local news for listeners, as - absent regulation - local radio stations may not be incentivised to provide local news. Many of these stations also serve the largest local populations and thus have the potential to reach the most listeners. Based on the evidence from our research that

<sup>&</sup>lt;sup>12</sup> I.e. breakfast and drivetime shows during weekdays and late breakfast on weekends

listeners value local news (and that most felt the current frequency of news bulletins on local commercial radio was about right), we do not consider that this would be a good outcome for listeners to all of those 193 stations. Finally, we are concerned that a reduction in local news provision would be contrary to the spirit of the Act, which underlines the importance of local news and information on local radio services.

- 3.13 We have also considered whether retaining each licensed service's existing local news requirements (including maintaining any exemptions or bespoke arrangements) would be appropriate. This would mean that licensees would incur no further costs. However, many of these requirements linked the frequency of local news bulletins to locally-made programming obligations. Under the new statutory framework, Ofcom no longer has the power to require the provision of locally-made programming and consequently there are no longer any licence conditions requiring locally-made programmes in local commercial radio licences. This is therefore no longer an appropriate factor for us to consider in setting local news conditions.
- 3.14 We have also considered whether it would be appropriate to set a condition that requires local news to be regularly broadcast without any further specificity. The effect of this would be that each individual licensed service could decide how often to broadcast this content. We think it is important however to set a minimum level of frequency for the broadcast of local news. Given differing editorial and commercial incentives to provide local news, it is likely that some stations would provide less news than they currently do. This could lead to inconsistent and potentially reduced overall provision, and thus may not secure the benefits for citizens and consumers of regular local news. Nor would this outcome align with Parliament's intent that the Act would safeguard the provision of local news.
- 3.15 We note it would be possible to be more prescriptive about the minimum *amount* of local news to be provided, in addition to the minimum frequency of local news. However, we provisionally consider it would not be appropriate or proportionate to set quotas regarding the number of hours and minutes of local news a service should provide, or the length of a bulletin. We consider the approach to bulletins are an editorial decision for licensees, as they will be best placed to know what works best for their listeners (and we recognise that what is appropriate may differ from day to day depending on the news cycle).
- 3.16 The full service option is therefore our preferred option for the majority of licensees. It maintains the level of news currently provided by most local radio services, which our research suggests listeners are satisfied with. It also ensures that the vast majority of listeners will have access to local news when they are most likely to be listening to the radio (i.e., during weekdays and peak times at weekends). We also consider that the proposed condition provides stakeholders, including licensees, with regulatory clarity and consistency and is a proportionate means of achieving our aim of implementing the Act.

#### **Consultation question 1:**

Do you agree with our proposed licence condition on the provision of local news? Please provide reasons for your answer.

#### **Consultation question 2:**

Do you agree with our provisional assessment of the impact on radio stations, as set out above and in Annex 1? Please provide reasons for your answer.

#### **Consultation question 3:**

Are there any other impacts we have not identified? Please provide details of these impacts and evidence to support them where available.

#### **Consultation question 4:**

Are there any alternative options to implement the requirements of the Act that we have not identified and which you consider would be more appropriate and proportionate? Please provide details of, and the rationale for, any such alternative options as part of your answer.

#### Locally-gathered news

- 3.17 Alongside the requirements in relation to the regular provision of local news, the Act requires Ofcom to include such conditions as we consider appropriate in the licence of each local analogue commercial radio station for requiring local news to "consist of or include locally-gathered news".
- 3.18 The wording of the legislation "consist of or include" makes clear that either all or some of a station's local news should be "locally-gathered" which is defined by section 314(7) of the CAO3<sup>13</sup> as:
  - a) news gathered in the coverage area of a local radio multiplex service that to a significant extent includes the coverage area of the local sound broadcasting service by persons who gather news in the course of an employment or business, or;
  - b) if there is no local radio multiplex service with such a coverage area, news gathered in the area or locality for which the local sound broadcasting service is provided by persons who gather news in the course of an employment or business.

#### **Proposed licence condition**

3.19 For the reasons set out below, we are proposing for the majority of licensed radio services that the following new licence condition be added to their licence:

The local news broadcast on the Licensed Service must consist of, or include, news gathered within the coverage area of a local radio multiplex service that to a significant extent includes the coverage area of the Licensed Service (or, where there is no such

<sup>&</sup>lt;sup>13</sup> Section 44(7)(c) Media Act 2024

multiplex, within the coverage area of the Licensed Service) by persons who gather news in the course of an employment or business.<sup>14</sup>

- 3.20 Radio regulation has been simplified significantly as a result of Part 5 of the Act, but Parliament has made clear the specific importance of locally-gathered news. We also recognise the benefits that locally-gathered news can bring to listeners, particularly given local commercial radio services are no longer required to broadcast locally-made programming. It ensures services maintain a physical presence in the local area and should also help ensure the local news is relevant to listeners.
- 3.21 Ofcom's consumer research on local news and media in the UK found that accurate portrayal of an area was a key factor in making local media feel local for example, some respondents felt that it was important that local place names were correctly pronounced, and that journalists were able to identify and understand the local context sufficiently. Given this, and the importance of relevant local news to listeners and society more widely, our provisional view is that (excepting those with very low turnover) the new locally-gathered news requirement should be applied in a consistent way to licensees. We therefore propose that this condition should apply to all licensed services that are subject to a full service requirement in relation to local news.
- 3.22 The Act sets out that locally-gathered news is "news **gathered in** the coverage area of a local radio multiplex service...by persons who gather news in the course of an employment or business". We consider "gathered in" to mean the collection of news by somebody who is physically present in the relevant area at the time they collect the news.
- 3.23 The proposed requirement for local news to consist of, or include, locally gathered news will provide licensees with flexibility in how they meet it. For instance:
  - a) while they might choose to hire individual locally-based journalists to meet this
    requirement; they could, for example, make arrangements with other local news
    providers, such as local newspapers or other media outlets, to gather news locally.
    Licensees would also have some flexibility in deciding which particular local news stories
    are locally-gathered; and
  - b) we are not proposing to prescribe in the licence condition how frequently locally-gathered news should be broadcast, the volume of local news that should be locally-gathered, or how locally-based journalistic resources should be organised. We consider that the news they broadcast that is 'locally-gathered' should be an editorial decision for licensees, dependent on the news agenda and any other relevant factors.
- 3.24 Given the flexibility that we are proposing to provide licensees, we consider it important that they are transparent with Ofcom and the public more generally about their approach to the gathering of local news. We therefore propose that this condition is supported by a transparency requirement, and that services must describe how they meet this requirement in their Public File.
- 3.25 We consider our approach to implementing the requirements introduced by the Act to be less intrusive relative to alternatives that could prescribe quotas for the amount of locally-gathered news across local news bulletins, and the manner in which this is gathered. Our

<sup>&</sup>lt;sup>14</sup> As noted above, we also propose that the definition of local news as set out in section 314(7) of the CA03 will be incorporated into the licence.

<sup>&</sup>lt;sup>15</sup> Local news and media in the UK: Qualitative consumer research report, July 2024

- assessment is that most licensees will not have to incur significant additional costs, as many already have arrangements in place to gather news in the local area using in-house, freelance or third-party journalist resources.
- 3.26 However, there are some licensees that would incur additional costs under our proposal. Some licensees are likely to need to hire more journalists across different regions (or take alternative measures such as contracting with an external supplier). The extent to which this will impact costs depends on their existing arrangements and ability to redeploy existing journalistic resource. We have provided cost estimates associated with different levels of additional journalist resources in Annex 1. Because the proposed licence condition gives a significant amount of flexibility to licensees, the cost for each licensee will depend to a large extent on what they decide is the right approach for their station.
- 3.27 We are also aware that some licensees (mainly those who are part of networked groups) may already have been able to reduce other costs as a result of the deregulatory measures that have already been implemented. <sup>16</sup> As a result, any additional costs for these licensees may already have been partly offset. The DCMS Media Bill Impact Assessment also identified this as a likely outcome.
- 3.28 For the very smallest stations with very low turnover, however, even small additional costs could have a significant impact, which could have a significant impact and create a significant risk of closure, reducing choice for listeners. We discuss our proposals in relation to these stations from paragraph 3.29.

#### **Consultation question 5:**

Do you agree with our proposed licence condition for requiring local news to consist of or include locally-gathered news? Please provide reasons for your answer.

#### **Consultation question 6:**

Do you agree with our provisional assessment of the impact on radio stations? Please provide reasons for your answer.

#### **Consultation question 7:**

Are there any other impacts we have not identified? Please provide details of these impacts.

#### Licensees with very low turnover

- 3.29 As discussed above, the implementation of our proposals on local news (including on locally-gathered news) will have a cost impact for some licensees.
- 3.30 We have identified a small number that have very low turnover, generally serve rural communities and often rely on volunteers. We consider that even small additional costs could have a significant impact on these licensees. For these licensees, the additional costs associated with adhering to a full service requirement could represent more than their annual turnover and would have a significant impact and create a significant risk of closure, reducing choice for listeners.

<sup>&</sup>lt;sup>16</sup> This includes the removal of Formats and locally-made requirements

3.31 For the reasons set out below, we therefore propose to put in place the following licence condition for a small number of licensees rather than the standard licence conditions proposed above.

Local news must be broadcast on the Licensed Service on at least three suitably spaced occasions between 06.00 to 10.00, and at least three suitably spaced occasions between 16.00 to 19.00, on weekdays. On weekends, local news must be broadcast on the Licensed Service on at least three suitably spaced occasions between 07.00 to 12.00. <sup>17</sup>

- 3.32 Our proposal is that this licence condition should only apply to a small number of licensees for whom the proposed standard licence condition would have a significant impact and create a significant risk of closure. In particular, we propose to apply this licence condition where the relevant turnover<sup>18</sup> of the licensee (and its group undertakings, <sup>19</sup> where the licensee is part of a group) from the provision of local commercial radio services is less than £50,000 per annum.
- 3.33 We understand that six licensees (who in total provide seven licensed radio services) had local radio revenues below this threshold in 2023/24. We are therefore proposing that this 'peak time' only condition be applied to seven licensed radio services only. We refer to these licensees in the remainder of this document as those with 'very low turnover'.
- In putting forward this proposal, we are mindful that while many of the licensees with very low turnover do not provide local news across the day most do provide it during peak hours on weekdays (breakfast and drivetime) and in many cases peak time at weekends (i.e. during the weekend breakfast show) too. Given the importance of local news to listeners, we are keen to ensure that these services continue to provide some local news. We are also concerned that it would be inconsistent with the aim of the Act if the provision of local news was reduced.
- 3.35 We propose not to require the provision of locally-gathered news by those licensees with a very low turnover. Many of these licensees currently use volunteers to gather news. However, we consider that the use of volunteers would not meet the Act's requirement that news be gathered by persons who gather news in the course of an employment or business and we are concerned that the costs of requiring that news be gathered by such persons would be disproportionate for these stations. We recognise that over time the financial situation of these licensees could change. If their turnover were to change significantly, or they were to become part of a bigger group with a larger turnover, we would expect to revisit the conditions in their licences, as the proposed standard licence conditions may become more appropriate. We propose in future to use the relevant annual turnover data that is already submitted to Ofcom as part of its regular market monitoring activities to identify any significant changes in turnover.

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<sup>&</sup>lt;sup>17</sup> The definition of local news as set out in section 314(7) of the CA03 will also be incorporated into the proposed licence condition.

<sup>&</sup>lt;sup>18</sup> As defined in our <u>Statement of Charging Principles</u>

<sup>&</sup>lt;sup>19</sup> We intend, specifically, to refer to group undertakings as defined by section 1161(5) of the Companies Act 2006.

#### **Consultation question 8:**

Do you agree with our proposed approach to licensees that have a very low turnover (i.e., below £50,000)? Please provide reasons for your answer.

### Application of peak time only condition to other licensed services

- 3.36 As set out above, we propose to apply a 'peak time' only condition to licensees with a very low turnover (i.e., under £50,000). However, we recognise that not all licensees (or licensees that are part of a group) with turnover above this threshold are currently required to provide 'full service' news on their licensed services. For some of these licensees, meeting the proposed requirements could have a significant impact and create a significant risk of closure to one or more of their licensed services, even if their turnover (or that of their wider group) is above £50,000.
- 3.37 We do not expect many licensees to fall into this category; as noted above paragraph 3.7 most licensees already provide a full service on their licensed services or should be able to do so at no significant additional cost. However, those that do fall into this category may make representations to Ofcom about this as part of the individual licence variation process. They would need to demonstrate to Ofcom that the imposition of the full service local news and locally-gathered requirements would be likely to have a significant impact and create a significant risk of closure.
- 3.38 We would expect to receive, in particular, evidence from the licensee on:
  - The current and historic financial position of its licensed service in terms of revenues and costs over a sufficient timeframe (e.g. over at least the last three years where possible).<sup>20</sup>
  - A financial forecast taking account of any additional factors which are likely to affect the service's financial sustainability.
  - Its estimate of the additional cost impacts of the full service local news and locally gathered requirements in respect of that licensed service. <sup>21</sup>
- 3.39 We may also seek further information on such matters we consider relevant to our assessment of the licensee's representations.
- 3.40 We will consider whether, on the balance of the evidence available, the imposition of a full service requirement<sup>22</sup> would be likely to have a significant impact and create a significant risk of closure. If we consider this is the case, then we would normally expect to apply the proposed lower requirement (i.e., peak time only condition) to those services.

<sup>&</sup>lt;sup>20</sup> Where a licensed radio service is part of a group, we would also expect the licensee to provide information on the attribution of costs or revenues to the radio station. In particular, for costs that might be shared or common across more than one licensed service.

<sup>&</sup>lt;sup>21</sup> Alongside its cost estimate, we would also expect the licensee to explain which assumptions it has applied to arrive at that estimate. Where a licensed radio service is part of a group, we would also expect the licensee to provide information on opportunities it has to share resources for local news across the different licences it operates.

<sup>&</sup>lt;sup>22</sup> including the requirement that some of their local news must be locally-gathered

#### **Consultation question 9:**

Do you agree with our proposed approach to the application of the peak time only condition to other licensed services? Please provide reasons for your answer.

#### **Local information**

- 3.41 We discussed in Section 2 the importance of the provision of local information and its benefits for listeners. The Act also requires Ofcom to include conditions in the licences held by local analogue stations which state they must "regularly broadcast" local information.
- 3.42 Local information is defined in the CA03<sup>23</sup> as information which is of particular interest:
  - to persons living or working within the area or locality for which the service is provided;
  - to persons living or working within a part of that area or locality; or
  - to particular communities living or working within that area or locality or a part of it.

#### **Proposed condition**

For the reasons set out below, we are proposing that the following new licence condition be added to all local sound broadcasting service licences<sup>24</sup>:

Local information must be broadcast on the licensed service regularly between 06.00 to 19.00 on weekdays and weekends.

- 3.44 The "daytime" hours between 06.00 and 19.00 includes the peak times of breakfast and drivetime during the week and late breakfast at the weekend, as well as daytime programming across the week and weekend. This captures when the largest proportion of radio listening takes place, and reflects that in practice most stations already broadcast local information throughout much of their daytime programming, including at weekends. Our proposed condition should ensure this continues.
- 3.45 Given the range of content which can constitute local information (including travel, weather and local events), and the importance of allowing stations flexibility to decide which elements would best meet the needs of their listeners, we do not propose to be prescriptive about the frequency (beyond it being regular), volume or nature of local information broadcast. Given this flexibility, we also do not propose to distinguish between weekdays and weekends in the way we have done in our proposals regarding local news.
- 3.46 However, we propose that this condition is supported by a transparency requirement, and that services must describe how they meet this requirement in their Public File.
- 3.47 Since most stations already broadcast local information throughout much of their daytime programming, we consider that making this a licence requirement is unlikely to have a significant cost impact on licensees. For stations that need to start providing local information or increase its frequency throughout the day we consider the additional costs

<sup>&</sup>lt;sup>23</sup> Section 314(7) Communications Act 2003

<sup>&</sup>lt;sup>24</sup> We also propose that the definition of local information as set out in the Communications Act 2003 also be incorporated into the licence.

- will be small particularly as certain local information, such as weather, can be readily obtained.
- 3.48 As set out above, over a fifth of UK adults (22%)<sup>25</sup> have specifically reported using local commercial radio as a source of local news and information, and listeners particularly value local information on commercial analogue radio. Our proposed approach will ensure listeners continue to benefit from local information throughout the day. In light of the benefit to listeners of receiving regular local information and the relatively small costs to licensees, we are of the view that the overall impacts of this proposal will be positive, and that our approach to implementing this part of the Act is proportionate.

#### **Consultation question 10:**

Do you agree with our proposed licence condition for requiring the broadcast of local information?

#### **Consultation question 11:**

Do you agree with our provisional assessment of the impact on radio stations? Please provide reasons for your answer.

#### **Consultation question 12:**

Are there any other impacts we have not identified? Please provide details of these impacts.

#### **Public File**

- 3.49 In addition to the new licence conditions proposed above, we propose to amend the existing licence condition relating to the Public File so as to require licensees to be transparent about how they meet their licence conditions in respect of local news, including locally-gathered news, and local information.
- 3.50 In doing so, we are also proposing (in light of the wider deregulatory changes introduced by the Act) to remove the requirement on licensees to include information in their Public File relating to the provision of local material more generally, and locally-made programming.

#### **Proposed condition**

3.51 We propose that the existing licence condition in respect of the Public File (and associated guidelines) be replaced with the following new licence condition:<sup>26</sup>

<sup>&</sup>lt;sup>25</sup> Ofcom Local Media Survey Local Media Survey, slide 13

<sup>&</sup>lt;sup>26</sup> We also propose to delete the definition of a "Public File" from each licence. This is because, in light of the changes that we are proposing to make to the existing Public File licence condition, we consider it is no longer needed.

The Licensee must maintain an up-to-date Public File in respect of the Licensed Service.

The Licensee must make the Public File available online and ensure that it contains at least the following information:

- a) Details of when listeners can ordinarily hear local news on the Licensed Service;
- b) Details of the arrangements that the Licensee has in place for ensuring that its broadcasting of local news consists of or includes news which is locally-gathered;
- c) Details of when listeners can ordinarily hear local information on the Licensed Service.
- 3.52 For licensees who are not required to broadcast news which is locally-gathered, sub-section b) of the condition would not be included in the licence condition.

#### **Consultation question 13:**

Do you have any comments on our proposal to amend the existing licence condition relating to the Public File? Please give reasons for your answer.

### Guidance on the provision of local news and information, including locally-gathered

- 3.53 Alongside requiring Ofcom to include conditions in licences regarding the provision of local news, the Act requires us to publish guidance on how we consider licensees may act consistently with the new licence conditions. We propose to provide guidance on:
  - local news content
  - frequency of local news provision
  - the meaning of locally-gathered and the relevant 'local' areas for each station
  - local information content
  - local information frequency
  - the Public File

View our <u>proposed guidance</u>.

#### General local news guidance

- 3.54 In setting out our proposed guidance on local news content, we have had regard to <a href="mailto:previous localness guidance">previous localness guidance</a> for local commercial radio stations. We consider that some of this guidance remains relevant, including the need to ensure news is accurate, up to date and compliant with the <a href="mailto:Broadcasting Code">Broadcasting Code</a>. We have retained such material in our proposed new guidance.
- 3.55 Our previous guidance set out that news bulletins should include nations (if relevant), UK-wide and international news. However, one of the effects of the changes introduced by the Act is that Ofcom no longer has a statutory basis to require stations to provide news outside of local news. Nevertheless, research suggests that other types of news (outside of local news) remain valued by many listeners. For example, recent research shows that people

living in the devolved nations value news that covers their whole nation (most commonly political updates) in addition to news and information that is more specific to their particular geographical area<sup>27</sup>. We therefore continue to recognise the value listeners place on other news, including nations news, and we encourage stations to broadcast bulletins that reflect the demand for this. However, our guidance explains that the provision of nations or international news that is not of particular interest to those within the local area, will not be considered when assessing a licensee's compliance with their local news requirement.

#### Frequency of local news

- 3.56 We provide further guidance about the provision of news during 'peak' periods on weekends (and weekdays where relevant).
- 3.57 We also explain that news does not need to be delivered by a specific clearly identifiable bulletin but can be part of a wider programme featuring local content which includes elements of local news.

#### Relevance of local news

3.58 The proposed guidance sets out when a news bulletin broadcast across more than one licensed service might be considered 'local news'.

### The meaning of locally-gathered and the relevant 'local' areas for each station

3.59 We propose to provide further guidance on the meaning of 'gathered in' and on the relevant 'local' areas in relation to locally-gathered news.

#### **Guidance on local information**

3.60 We propose to provide guidance on what may be considered local information and how it may be provided. Much of this proposed guidance reflects previous localness guidance and we still consider this to be relevant.

#### **Guidance on Public File**

3.61 We propose to provide guidance on the purpose of the Public File and how it should be updated.

#### **Consultation question 14:**

Do you have any comments on our proposed guidance on how licensees may act consistently with the proposed requirements? Please give reasons for your answer.

<sup>&</sup>lt;sup>27</sup> Local news and media in the UK: Qualitative consumer research report, July 2024

#### **Next steps**

- 3.62 We welcome any views stakeholders have on our proposals and further engagement with interested parties on the questions posed in this consultation.
- 3.63 Parties have until 5pm on 22 September 2025 to respond. Following the consultation period Ofcom intends to publish a statement setting out its conclusion later this year.
- 3.64 Once we have finalised our approach following this consultation, we will implement the changes by making variations to all local commercial radio licences following the process set out in those licences in accordance with s86(5) of the BA90.
- 3.65 We recognise that some licensees may need time to implement the changes necessary to comply with the new requirements. Therefore, whilst we intend to issue our proposed notice of variation to individual licensees shortly after the publication of our final policy statement, we will propose that the variation not take effect until six months after the date of the final variation notice. We consider this should provide licensees an appropriate and sufficient time to bring themselves into compliance with their new licence conditions. For the avoidance of doubt, existing licence conditions in respect of local news will remain in place until such variations come into effect. We welcome feedback on the proposed timeframe for implementation.

#### **Consultation question 15:**

Do you agree with our proposed timeframe for implementation of the new requirements? Please provide reasons for your answer.

# A1. Cost assessment for proposals

#### Introduction

- A1.1 In this Annex, we explain how we have estimated the additional costs different licensees are likely to incur in light of our local news proposals. As discussed in Section 3, for most stations, we propose that they are subject to full service local news requirements, while we propose that seven licensed radio services with turnover less than a threshold of around £50k per year would be subject to peak time local news requirements. We have modelled the additional costs for licensees affected by each of these proposals (i.e. those licensees not already subject to the equivalent of a full service requirement).
- A1.2 We then discuss potential costs for locally-gathered requirements and for local information.
- A1.3 We present our wider assessment of the impacts of our proposals, including the benefits and costs in relation to local news, locally-gathered, and local information requirements in Section 3.

### Cost assessment for proposed local news requirements

- A1.4 As set out in Section 3, we propose that most licensees be subject to full service local news requirements, while seven licensed services with turnover less than a threshold of £50k per year would be subject to peak time local news requirements. For most licensees the proposed local news requirements would not be a change from their previous regulatory requirements, but it would, in principle, mean an increased requirement for some licensees.
- A1.5 In this Annex we set out our detailed provisional assessment of the additional costs for these licensees. To inform our assessment we gathered information from radio broadcasters, including the current frequency of their local news broadcasts and the costs associated with gathering and broadcasting local news. In some cases, we also gathered information on the frequency of local news bulletins from the 'Public File' for the station, where this was available.<sup>28</sup>

### Provisional assessment for licensees subject to proposed full service requirement

- A1.6 We have identified 41 licensed services (33 FM and eight AM licences) that currently have a lesser (or no) regulatory requirement that would potentially be impacted by a move to a full service requirement for local news bulletins. We have provisionally assessed the incremental financial impact of this change.
- A1.7 When we examined current provision, our assessment found that 24 of the 33 FM licensed services broadcast local news significantly more often than is required by their licence. Of

<sup>&</sup>lt;sup>28</sup> Local commercial radio stations are required to publish a Public File on their websites which includes the local news bulletin schedule.

these, we consider that 20 FM licensed services would likely already comply with the full service requirements proposed and thus would not incur any (or not any significant) additional costs as a result of the proposals. The remaining four FM licensed services would require minor increases in their provision of local news (e.g. an additional 1-2 hourly bulletins on weekdays). Our provisional view is that any additional cost for these licensed services would be very small.

- A1.8 Our provisional view is that a further five out of the 33 FM licensed services are also unlikely to face significant additional costs. These five services are either part of the Global or Bauer radio groups. Two of these five are currently exempt from local news bulletins, and three that have a peak time requirement are part of the Global or Bauer radio groups. Our understanding is that Global and Bauer already produce hourly daytime weekday local news for other services in these geographic areas which could be shared, therefore we consider any additional costs for these five licensed services (to the extent there are any) will be minimal.
- A1.9 This leaves only four out of the 33 FM licensed services which would require an extra 6-8 hourly bulletins on weekdays (depending on the current length of the breakfast and drivetime shows). We understand these licensees already have the capability to gather and broadcast local news, so we consider the additional costs are likely to be small. It is possible that some licensees could use existing resources to produce the proposed required additional local news bulletins at no additional cost. However, we recognise that some licensees may need additional resources, and we have assumed that each licensed service will need up to 2 hours' extra journalist resource per weekday to produce the extra local news bulletins. We estimate this could cost up to £9,000 per year for each licensed service. In addition, we expect two of these licensed services would incur additional costs beyond this in order to meet the requirements, such that their total additional costs would be up to £12,000-14,000 per year. The additional costs for these licensed services would range from 3-8% of their respective turnover in 2023/24.
- A1.10 The provisional estimates of additional costs for the 33 FM licenced services are summarised in the Figure below.

<sup>&</sup>lt;sup>29</sup> We have assumed that licensees are providing (at least) the minimum required bulletins as per their current licence conditions.

 $<sup>^{30}</sup>$  We have assumed a typical hourly cost for a journalist outside London of £14 per hour based on a £27k full time equivalent salary. We have assumed a 37 hour working week. We have allowed a 22% uplift for non-wage labour costs (see RPC guidance page 5). The additional cost per licence is thus £14/hour journalist cost x 10 hours additional resource per week x 52 weeks per year x 1.22 (reflecting 22% non-wage cost uplift).

<sup>&</sup>lt;sup>31</sup> These additional costs are due to one licensee requiring an estimated additional 3 hours of journalistic resource over the weekend (in addition requiring an additional 2 hours during the week), and the other faces higher wage costs due to its location

Figure A2.1: Estimated additional costs for FM licenced services

Number of licensed services

Estimate of additional costs (per year)

29	Zero or very small
2	Up to £9,000
2	Up to £12,000-£14,000

Source: Ofcom modelling, 2025

- A1.11 The eight AM licensed services are not currently required to provide local news. Three currently do not provide any local news. Although not formally required to, five of the AM licensed services do provide some local news updates, albeit well below a full service requirement. Several licensed services use the radio presenter to source local news rather than a journalist. Given that these services do not provide the 'full service', we recognise more significant expenditure may be required to meet the full service proposal for AM licensees compared to the FM licensees currently on the lower requirement.
- A1.12 We provisionally consider that all the AM licensees are likely to need to secure additional journalist resource to provide full service local news. For the five licensed services that already provide some local news, we have assumed an additional journalist resource equivalent to 0.75 FTE per licence. For the three licensed services that do not currently broadcast any local news, we have assumed an additional journalist resource equivalent to 1 FTE per licence. We note that licensees do not necessarily need to directly employ additional staff, as they may make use of freelance journalists, share journalistic resource via bespoke arrangements, or procure local news via third-party news services.
- A1.13 We also recognise that the AM licensees may incur additional set up costs i.e. to recruit journalists.<sup>33</sup> We have assumed one off recruitment costs equivalent to 25% of additional pro rata salary cost.<sup>34</sup> The table below summarises the estimated one-off and ongoing costs for the AM licensees.

<sup>32</sup> Two of these licences are held by the same licensee and cover the same geographic area, and we consider the local news bulletin could be shared in this case (i.e. 0.75 FTE will likely be required across the two licences).

<sup>&</sup>lt;sup>33</sup> We consider this is unlikely to be required for the FM licenced service currently on less than full service requirements discussed above, where a relatively small amount of additional resource is required e.g. it could be accommodated by extending the use of existing in house or freelance resource.

<sup>&</sup>lt;sup>34</sup> Based on a recruitment agency typically charging a fee of 20-30% of salary see e.g. <u>The cost of hiring employees, Indeed.com</u>

Figure A2.2: Provisional view of setup and ongoing costs from full service proposals for AM licensees

		Number of licensed services	Additional FTE per licensed service	Assumed FTE salary £000s	One off setup costs £000s 36	Ongoing costs per year £000s
AM licensees providing some	Licence covers London	3 <sup>35</sup>	0.75	41	N/A	38
local news currently	Licence outside London	2	0.75	27	N/A	25
AM licensees providing no	Licence covers London	2	1	41	10.3	50
news currently	Licence outside London	1	1	27	6.8	33

Source: Ofcom modelling, 2025

A1.14 Across the AM licensed services, our provisional view is that ongoing costs as a proportion of turnover in 2023/24 would range from 2-13%.

### Provisional assessment for licensees subject to a proposed peak time requirement

A1.15 If the seven FM licensed services which have turnover of less than £50k per annum were subject to a full service local news requirement the additional ongoing costs could represent up to 100% of turnover in 2023/24. Therefore, we have proposed a lesser peak time local news requirement and are proposing not to impose a locally-gathered requirement for such licensees. Five of these licensed services currently have a peak time local news requirement so the proposals mean no change. Two of the licensed services currently have bespoke arrangements and, in principle, peak time local news would mean a higher news requirement. However, while not required to do so, one of these licensed services voluntarily produces local news bulletins above the required minimum and we understand already meets the peak time requirement. Our provisional view is that there will be no additional costs from our proposals for this licensee.

A1.16 The remaining licensed service provides no local news bulletins currently, and consequently we consider it would incur a one-off cost of ≫, followed by an ongoing cost of ≫ per year if it sought to use professional journalistic resource. However, it is run entirely by

<sup>&</sup>lt;sup>35</sup> Two of these licences are held by the same licensee and we consider the local news bulletin could be shared in this case so only one set of costs will be incurred across the two licences.

volunteers so it is possible that it will be able to use additional volunteer resource to gather local news to fulfil the requirements<sup>36</sup>, in which case they would not incur any additional costs. We note that several other small radio stations in a similar situation use volunteers to gather local news. We recognise that, in principle, this licensee could incur additional costs to employ resources to provide local news and this would have a significant impact on the licensee.

A1.17 As discussed in section 3, we welcome stakeholder comments on the cost implications of our proposals. Further, should we decide to implement our proposals after consultation, licensees will be given the opportunity to make representations on their individual proposed licence conditions in accordance with section 86(5) BA90.

#### Provisional estimation of total cost impacts of local news

A1.18 Our provisional assessment provides incremental cost estimates to meet a peak time or full service requirement (as appropriate) relative to licensee's starting position in terms of the current levels of news provision across different licensed services (which may differ to what they are currently required to provide). Across all 41 of the AM and FM licensed services assessed above in aggregate, we estimate the additional costs would in practice affect 21 out of the 41 licences. In total, these costs are around £32,000 one off and up to £326,000 per year ongoing (on average £1,500 and £16,000 per affected licensed service). In practice, our modelling suggests that most of these costs would be relatively concentrated on a few licensees (twelve licensed services) and mainly AM licensees.

### Cost assessment for proposed locally-gathered requirement

- A1.19 In Section 3, we propose that most licensees should be subject to a requirement that their local news broadcasts should consist of or include news gathered in the 'relevant area' for that licensed service (i.e., in the coverage area of a local radio multiplex service that to a significant extent includes the coverage area of the local sound broadcasting service (or, where there is no such multiplex, in the coverage area of the licensed service)). The set out our view that in order to meet the requirements imposed by the Act, this would mean a journalist being physically present in the relevant area to collect 'locally-gathered' news. We propose to provide flexibility for licensees to decide which local news stories should be locally-gathered, while following our guidance and setting out how they fulfil the locally-gathered requirement in their Public File.
- A1.20 Due to the flexibility provided by our proposed licence conditions, it is difficult to estimate the overall cost of locally-gathered requirements with certainty as the costs will be determined by the decisions each licensee makes on the approach that is appropriate for their service. We note however, that most licensees should not have to incur significant additional costs, as they already have arrangements in place to gather news in the local area using in-house, freelance or third-party journalist resources.

<sup>37</sup> We do not propose to apply a requirement for news to be locally-gathered for the seven licensed services with very low turnover.

<sup>&</sup>lt;sup>36</sup> We are proposing that licensees with turnover under £50k would not be required to broadcast locally-gathered news, so would not need to use persons who gather news in the course of employment or a business.

- A1.21 Nevertheless, we recognise that some licensees will incur additional costs in order to comply with the proposed requirements as they may need to employ new journalists; increase the hours of their existing journalists; or make other arrangements (i.e. with third-party providers of local news).<sup>38</sup>
- A1.22 If a licensee seeks to meet locally-gathered requirements using additional journalists (or increasing their time), the cost of this additional resource could vary considerably per licensee. It will depend, for example, on where the licensed radio service is based (with likely wage rates varying in parts of the country); and how many hours of additional journalist's time are needed to adequately meet the requirements. In table x below, we outline the potential costs to licensed services of hiring an additional journalist based on time on a full time equivalent (FTE) basis.

Table A2.3: Costs of Hiring Additional Journalists 39

Additional journalist resource	Yearly costs (outside London)	Yearly costs (in London)	
required per week (FTE)	£000s	£000s	
0.1 (3.7 hours)	3.3	5	
0.25 (9.25 hours)	8.2	12.5	
0.5 (27.75 hours)	16.5	25	
1 (37 hours)	32.9	50	

Source: Ofcom 2025

- A1.23 A licensed service that does not currently have any arrangements in place, could in principle face costs somewhere in the range of £3.3k-£50k (depending on location). However, most licensed services will not be towards the upper bound of this range, as this represents a licensee employing a journalist full time solely for local news gathering and based on London salaries. We note from our engagement with stakeholders that some independent radio stations that locally-gather news employ in-house journalists to do so, but do not use all their journalists' time solely for local news gathering.
- A1.24 Given the flexibility we propose to give to licensees as to the proportion of locally-gathered news they broadcast, we cannot provide a more precise estimate as to where individual licensees might fit in this range. The amount of FTE of a journalist's time spent gathering local news will also vary by licensed service depending on different factors including for example the size of the area covered; and the number of locally-gathered stories within bulletins.

<sup>&</sup>lt;sup>38</sup> We have not presented the costs of alternative arrangements, as licensees would be unlikely to outsource those functions if the cost were greater than the total wage and non-wage costs of employing a journalist inhouse.

<sup>&</sup>lt;sup>39</sup>The costs to licensed services are derived from average hourly wages for radio journalists (these wage assumptions are consistent with those used above to model the costs of local news requirements in this Annex). This includes direct wage costs and an additional mark-up for non-wages costs to employers.

- A1.25 In addition, any additional costs a licensee would incur per licence will depend on whether there are opportunities for that licensee to share and make use of resources that might be available across their organisation. For example, a number of licensees might be able to share a local news broadcast (including locally-gathered news stories) across a number of relevant licence areas. This sharing of local bulletins means that it might be feasible for radio groups to employ additional journalist resources and share that resource to cover a number of areas. Where this sharing of resource is feasible, the impact of the additional costs on a per licence basis should be lower.
- A1.26 Not all licensees would also have to meet the locally-gathered requirements by employing a journalist. Some licensees could also seek alternative arrangements where they consider this appropriate. For example, we understand that some licensees outsource their local news gathering to third party news providers. It follows that they might only do so if it were less costly than employing journalists more directly. Although, we recognise that other factors such as editorial considerations would also be relevant to whether to make use of alternatives to employing a journalist in-house.

### Cost assessment for proposed local information requirement

- A1.27 In Section 3, we propose that local information should be regularly broadcast throughout the day, but do not propose to prescribe the volume of local information that should be broadcast, how frequently it should be broadcast, or what types of information should be broadcast. We propose that licensees set out how they fulfil their local information requirement in their Public File.
- A1.28 We discuss in Section 3 that almost all radio stations routinely provide some form of local information such as travel and weather updates as part of their service. <sup>41</sup> As such, our provisional view is that for many licensees there should be no overall cost impact associated with the proposed new requirements based on their existing levels of provision.
- A1.29 For those licensees that might need to broadcast local information for the first time, or increase their local information provision, we further note that such information is readily available and accessible for free via websites. Hence, we would not expect significant additional costs to licensees if they had to increase the amount of local information they provide and/or the frequency with which it is broadcast.
- A1.30 There are some commercial organisations that also provide information such as weather and travel updates to radio stations. Based on responses to our request for information to licensees, we understand that there may be some costs associated with such updates. Such services often insert their own advertising around pre-recorded weather or traffic updates that they provide. However, we would not expect those costs to be significant given that the advertising is often of short duration, adjacent to the information update.

<sup>41</sup> From our engagement with stakeholders, we found that all but one indicated that they provided some form of local information.

<sup>&</sup>lt;sup>40</sup> A full-time journalist may also have flexibility to cover areas captured by different local bulletins depending on their particular location, geographic coverage and travel times.

#### Cost assessment for proposed Public File requirement

A1.31 As part of our proposals for local news, locally-gathered and local information requirements we propose to require that licensees are transparent in their Public File as to how they are meeting the requirements for each licensed service. Given that each licensee already has an existing Public File, we have not sought to quantify the cost of updating the Public File, as it is unlikely to require significant upfront costs to set out the approach to local news, local gathering or local information. In addition, we do not anticipate significant ongoing costs, as licensees might only need to review their Public File periodically and where there are changes in how they are meeting news and information requirements.

# A2. Equality and Welsh language impact assessments

#### **Public Sector Equality Duty**

- A2.1 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 foster good relations between persons who share specified protected characteristics and persons who do not.
- A2.2 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.
- A2.3 To help us comply with our duties under the 2010 Act and the 1998 Act, we assess the impact of our proposals on persons sharing protected characteristics and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations.
- A2.4 When considering equality impacts, our assessment aims to consider impacts more broadly than persons that share protected characteristics identified in equalities legislation and considers potential impacts on various groups of persons (see paragraph 4.7 of our impact assessment guidance).
- A2.5 In particular, section 3(4) of the CA03 also requires us to have regard to the needs and interests of specific groups of persons when performing our duties, as appear to us to be relevant in the circumstances. These include:
  - a) The vulnerability of children and of others whose circumstances appear to us to put them in need of special protection;
  - b) The needs of persons with disabilities, older persons and persons on low incomes; and
  - c) The different interests of persons in the different parts of the UK, of the different ethnic communities within the UK and of persons living in rural and in urban areas.
- A2.6 We examine the potential impact our policy is likely to have on people, depending on their personal circumstances. This also assists us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers, regardless of their background and identity.
- A2.7 We have considered the likely potential impact of our proposals and on balance, we consider it is unlikely that our proposals will have an adverse impact on persons sharing protected characteristics, or on advancing equality of opportunity for specific groups. We

- consider that there may also be a positive impact for listeners, including those who share protected characteristics.
- A2.8 It is possible that a small number of stations with very low turnover will find it challenging to deliver the new requirements, calling into question their financial viability and potentially therefore affecting their ability to maintain the service. Many of these are based in Scotland serving remote rural communities and reach sparse populations and over a wide area. In recognition of this we have proposed an alternative, lesser frequency licence condition for those with very low turnover (from paragraph 3.29).
- A2.9 We are aware that there are some stations that are not currently required to provide 'full service' news on their licensed services that would, under our proposals, be required to do so. Some of these services cater to audiences that share protected characteristics, such as religion or race. In order to mitigate the impact of our proposals, we have explained that licensees may make representations to Ofcom about this as part of the individual licence variation process. If Ofcom is satisfied that the proposed requirements would have a significant impact and create a significant risk of closure for any licensed services (including those catering for audiences that share protected characteristics), Ofcom would normally expect to apply the proposed lower requirement (i.e., peak time only condition) to those services. Further details about this proposal are set out from paragraph 3.36.
- A2.10 As a result of an increase in local news provision across 21 licences, audiences who use these services will benefit from greater availability of local news; this may include people with protected characteristics. We also consider that there are potential benefits for people in the protected groups of age and disability, some of whom may be unable to access news online easily. As already noted, we think this is a positive outcome for listeners because our research has demonstrated that people value and benefit from the provision of local news and information on commercial radio.
- A2.11 We consider our proposals are likely to have a largely neutral impact on fostering good relations between specific groups of people. However, we note the importance of high quality accurate news in helping citizens understand issues in their area and participate positively in the democratic process.

#### Welsh language duty

- A2.12 The Welsh language has official status in Wales. To give effect to this, certain public bodies, including Ofcom, are required to comply with Welsh language standards. 42 Accordingly, we have considered:
  - d) The potential impact of our policy proposals on opportunities for persons to use the Welsh language;
  - e) The potential impact of our policy proposals on treating the Welsh language no less favourably than the English language; and
  - f) How our proposals could be formulated so as to have, or increase, a positive impact, or not to have adverse effects or to decrease any adverse effects.
- A2.13 The Media Act removed Ofcom's power to set licence conditions to secure local radio services' character of service<sup>43</sup>, including requirements relating to Welsh language content

<sup>&</sup>lt;sup>42</sup> The Welsh language standards with which Ofcom is required to comply are available on our website

<sup>&</sup>lt;sup>43</sup> The Media Act made changes to section 106 Broadcasting Act 1990.

where relevant. However, licensees may choose to meet the proposed local news and information condition by broadcasting local news and information in Welsh. They may also choose to publish the information required under the proposed public file condition in Welsh. We do not consider that our proposals have any adverse effect on the Welsh language, nor do they treat the Welsh language less favourably than the English language.

A2.14 We will ensure that the guidance we produce to assist licensees in acting consistently with the proposed new licence conditions is available in Welsh. We will also ensure this is easily accessible on the relevant area of our website and finally that, in communications with stakeholders and the public, we clearly highlight that the guidance is available in Welsh. We do not consider there are any additional measures we could take that would increase positive effects on opportunities to use the Welsh language.

## A3. Responding to this consultation

#### How to respond

- A3.1 Ofcom would like to receive views and comments on the issues raised in this document, by 5pm on 22 September 2025.
- A3.2 You can download a response form from <a href="https://www.ofcom.org.uk/tv-radio-and-on-demand/public-service-broadcasting/consultation-local-news-and-information-on-analogue-commercial-radio">https://www.ofcom.org.uk/tv-radio-and-on-demand/public-service-broadcasting/consultation-local-news-and-information-on-analogue-commercial-radio</a>
- A3.3 You can return this by email or post to the address provided in the response form.
- A3.4 If your response is a large file, or has supporting charts, tables or other data, please email it to mediaactpart5@ofcom.org.uk, as an attachment in Microsoft Word format, together with the cover sheet.
- A3.5 Responses may alternatively be posted to the address below, marked with the title of the consultation:

**Content Policy Development team** 

Ofcom

**Riverside House** 

2A Southwark Bridge Road

**London SE1 9HA** 

- A3.6 We welcome responses in formats other than print, for example an audio recording or a British Sign Language video. To respond in BSL:
  - > send us a recording of you signing your response. This should be no longer than 5 minutes. Suitable file formats are DVDs, wmv or QuickTime files; or
  - > upload a video of you signing your response directly to YouTube (or another hosting site) and send us the link.
- A3.7 We will publish a transcript of any audio or video responses we receive (unless your response is confidential)
- A3.8 We do not need a paper copy of your response as well as an electronic version. We will acknowledge receipt of a response submitted to us by email.
- A3.9 You do not have to answer all the questions in the consultation if you do not have a view; a short response on just one point is fine. We also welcome joint responses.
- A3.10 It would be helpful if your response could include direct answers to the questions asked in the consultation document. The questions are listed at Annex 6. It would also help if you could explain why you hold your views, and what you think the effect of Ofcom's proposals would be.
- A3.11 If you want to discuss the issues and questions raised in this consultation, please contact the team by email at mediaactpart5@ofcom.org.uk.

#### Confidentiality

- A3.12 Consultations are more effective if we publish the responses before the consultation period closes. This can help people and organisations with limited resources or familiarity with the issues to respond in a more informed way. So, in the interests of transparency and good regulatory practice, and because we believe it is important that everyone who is interested in an issue can see other respondents' views, we usually publish responses on the Ofcom website at regular intervals during and after the consultation period.
- A3.13 If you think your response should be kept confidential, please specify which part(s) this applies to and explain why. Please send any confidential sections as a separate annex. If you want your name, address, other contact details or job title to remain confidential, please provide them only in the cover sheet, so that we don't have to edit your response.
- A3.14 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and try to respect it. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A3.15 To fulfil our pre-disclosure duty, we may share a copy of your response with the relevant government department before we publish it on our website.
- A3.16 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's intellectual property rights are explained further in our Terms of Use.

#### **Next steps**

- A3.17 Following the consultation period Ofcom intends to publish a statement setting out its conclusion later this year.
- A3.18 If, after considering the responses to this consultation, we decide to make these changes, Ofcom will use its powers under s86(5) of the BA90 to vary existing licences, in accordance with clause 21 of each licence. As part of that process, licensees will be given the opportunity to make representations on their individual proposed new licence conditions, as required by s86(5)(b) of the BA90, which we will take into account when finalising licensees' individual new licence conditions.
- A3.19 This will be followed by the issuing of a final variation notice. We recognise that licensees may need time to implement the changes necessary to comply with the new requirements. Therefore, we propose that the licence variations do not take effect immediately and that, instead, they take effect six months after the date of the final notice of variation. We welcome feedback on the proposed timeframe for implementation.
- A3.20 If you wish, you can register to receive mail updates alerting you to new Ofcom publications.

#### Ofcom's consultation processes

- A3.21 Of com aims to make responding to a consultation as easy as possible. For more information, please see our consultation principles in Annex 4.
- A3.22 If you have any comments or suggestions on how we manage our consultations, please email us at consult@ofcom.org.uk. We particularly welcome ideas on how Ofcom could more effectively seek the views of groups or individuals, such as small businesses and

residential consumers, who are less likely to give their opinions through a formal consultation.

A3.23 If you would like to discuss these issues, or Ofcom's consultation processes more generally, please contact the corporation secretary:

Corporation Secretary
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Email: <a href="mailto:corporationsecretary@ofcom.org.uk">corporationsecretary@ofcom.org.uk</a>

# A4. Ofcom's consultation principles

Ofcom has seven principles that it follows for every public written consultation:

#### Before the consultation

1. Wherever possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking along the right lines. If we do not have enough time to do this, we will hold an open meeting to explain our proposals, shortly after announcing the consultation.

#### **During the consultation**

- 2. We will be clear about whom we are consulting, why, on what questions and for how long.
- 3. We will make the consultation document as short and simple as possible, with an overview of no more than two pages. We will try to make it as easy as possible for people to give us a written response.
- 4. When setting the length of the consultation period, we will consider the nature of our proposals and their potential impact. We will always make clear the closing date for responses.
- 5. A person within Ofcom will be in charge of making sure we follow our own guidelines and aim to reach the largest possible number of people and organisations who may be interested in the outcome of our decisions. Ofcom's Consultation Champion is the main person to contact if you have views on the way we run our consultations.
- 6. If we are not able to follow any of these principles, we will explain why.

#### After the consultation

7. We think it is important that everyone who is interested in an issue can see other people's views, so we usually publish the responses on our website at regular intervals during and after the consultation period. After the consultation we will make our decisions and publish a statement explaining what we are going to do, and why, showing how respondents' views helped to shape these decisions.

### A5. Consultation coversheet

<b>Basic details</b>	
Consultation title:	
To (Ofcom contact):	
Name of respondent:	
Representing (self or organisation/s)	:
Address (if not received by email):	
Confidentiality	
Please tick below what part of your r	esponse you consider is confidential, giving your reasons why
> Nothing	
> Name/contact details/job ti	tle 🗆
> Whole response	
> Organisation	
> Part of the response	
If you selected 'Part of the response'	, please specify which parts:
still publish a reference to the conter general summary that does not discle	our name or your organisation not to be published, can Ofcomets of your response (including, for any confidential parts, a ose the specific information or enable you to be identified)?
Yes □ No □	
Declaration	
that Ofcom can publish. However, in publish all responses, including those	upplied with this cover sheet is a formal consultation response supplying this response, I understand that Ofcom may need to which are marked as confidential, in order to meet legal se by email, Ofcom can disregard any standard e-mail text about achments.
· ·	regular intervals during and after the consultation period. If your le or in part), and you would prefer us to publish your response d, please tick here.
Name	Signed (if hard copy)

### A6. Consultation questions

Please tell us how you came across about this consultation.
☐ Email from Ofcom
☐ Saw it on social media
☐ Found it on Ofcom's website
☐ Found it on another website
☐ Heard about it on TV or radio
☐ Read about it in a newspaper or magazine
☐ Heard about it at an event
$\square$ Somebody told me or shared it with me
☐ Other (please specify)
Questions
Question 1:
De very agree with any present license condition on the provision of level power 2 Disease

Do you agree with our proposed licence condition on the provision of local news? Please provide reasons for your answer.

#### Question 2:

Do you agree with our provisional assessment of the impact on radio stations, as set out above and in Annex 1? Please provide reasons for your answer.

#### Question 3:

Are there any other impacts we have not identified? Please provide details of these impacts and evidence to support them where available.

#### Question 4:

Are there any alternative options to implement the requirements of the Act that we have not identified and which you consider would be more appropriate and proportionate? Please provide details of, and the rationale for, any such alternative options as part of your answer.

#### **Question 5:**

Do you agree with our proposed licence condition for requiring local news to consist of or include locally-gathered news? Please provide reasons for your answer.

#### **Question 6:**

Do you agree with our provisional assessment of the impact on radio stations? Please provide reasons for your answer.

#### Question 7:

Are there any other impacts we have not identified? Please provide details of these impacts.

#### **Question 8:**

Do you agree with our proposed approach to licensees that have a very low turnover (i.e., below £50,000)? Please provide reasons for your answer.

#### Question 9:

Do you agree with our proposed approach to the application of the peak-time only condition to other licensed services? Please provide reasons for your answer.

#### Question 10:

Do you agree with our proposed licence condition for requiring the broadcast of local information?

#### Question 11:

Do you agree with our provisional assessment of the impact on radio stations? Please provide reasons for your answer.

#### Question 12:

Are there any other impacts we have not identified? Please provide details of these impacts.

#### Question 13:

Do you have any comments on our proposal to amend the existing licence condition relating to the Public File? Please give reasons for your answer.

#### Question 14:

Do you have any comments on our proposed guidance on how licensees may act consistently with the proposed requirements? Please give reasons for your answer.

#### Question 15:

Do you agree with our proposed timeframe for implementation of the new requirements? Please provide reasons for your answer.

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