

Analogue Commercial Radio Licence: Format Change Request Form

Date of request:	
Station Name:	Heart
Licensed area and licence number:	North East AL000165
Licensee:	Global Media & Entertainment Ltd
Contact name:	Kirsty Leith

Details of requested change(s) to Format

<p>Character of Service</p> <p><i>Complete this section if you are requesting a change to this part of your Format</i></p>	<p>Existing Character of Service:</p> <p>A FULL SERVICE MAINSTREAM POPULAR MUSIC STATION FOR THE NORTH-EAST REGION, TARGETING PRIMARILY 25-54 YEAR OLDS, TREATING NEWS, SPEECH, REGIONAL INFORMATION, SPORT AND LISTENER INTERACTIVITY AS IMPORTANT INGREDIENTS, AND RUNNING 24-HOUR NEWS.</p>
	<p>Proposed new Character of Service:</p> <p>A LOCALLY ORIENTED MUSIC AND INFORMATION STATION FOR THE NORTH-EAST REGION, FEATURING ADULT-ORIENTED POPULAR MUSIC FOR A BROAD AUDIENCE WITH PARTICULAR APPEAL FOR LISTENERS AGED 25-54.</p>
<p>Programme sharing and/or co-location arrangements</p> <p><i>Complete this section if you are requesting a change to this part of your Format</i></p>	<p>Current arrangements:</p>
	<p>Proposed new arrangements:</p>
<p>Locally-made hours and/or local news bulletins</p> <p><i>Complete this section if you are requesting a change to this part of your Format</i></p>	<p>Current obligations:</p>
	<p>Proposed new obligations:</p>

The holder of an analogue local commercial radio licence may apply to Ofcom to have the station's Format amended. Any application should be made using the layout shown on this form, and should be in accordance with Ofcom's published procedures for Format changes.

Under section 106(1A) of the Broadcasting Act 1990 (as amended), Ofcom may consent to a change of a Format only if it is satisfied that *at least* one of the following five statutory criteria is satisfied:

- (a) *that the departure would not substantially alter the character of the service;*
- (b) *that the departure would not narrow the range of programmes available by way of relevant independent radio services to persons living the area or locality for which the service is licensed to be provided;*
- (c) *that the departure would be conducive to the maintenance or promotion of fair and effective competition*
- (d) *that there is evidence that, amongst persons living in that area or locality, there is a significant demand for, or significant support for, the change that would result from the departure; or*
- (e) *that (i) the departure would result from programmes included in the licensed service ceasing to be made at premises in the area or locality for which the service is provided, but (ii) those programmes would continue to be made wholly or partly at premises within the approved area (as defined in section 314 of the Communications Act 2003 (local content and character of services)).*

Only one of these five criteria need be satisfied in order for Ofcom to consent to the proposed change. However, even if Ofcom is of the opinion that the proposed change satisfies one or more of the statutory criteria, there may be reasons (depending on the particular circumstances of the case) why Ofcom may not consent to the proposed change. The additional criteria to which Ofcom will have regard when exercising this discretion can be found on our website.

Applicants should note that, under section 106ZA of the same Act (as amended), a proposed change that *does not* satisfy the first or last of these criteria (i.e. a change that Ofcom considers *would* or *could* substantially alter the character of the service, or does not relate to the origin of locally-made programmes) must, if it is to be considered further under any of the other three criteria, be consulted upon.

In the event that Ofcom receives a request for Format change and considers that criterion (a) or (e) is *not* satisfied, it will seek confirmation from the applicant as to whether it wishes to proceed with the request (and, if so, whether it wishes to amend or replace its submission in light of the necessity to make it public).

Please set out the statutory criterion, or criteria, set out in section 106(1A) of the Broadcasting Act 1990 that you believe is/are satisfied in relation to this Format change request, and the reasons for this.

Section 106 1A (a) that the departure would not substantially alter the character of the service.

There will be no substantial changes to the character of the service. Heart North East will continue to deliver local news and speech at the times when listeners have said

they want to hear it, there will be no change to Heart's music mix and there will be no reduction in the range of programmes available to listeners.

The requested changes will merely result in a slightly different balance in the levels of news, speech and music provided, in line with audience needs, as evidenced below.

Heart North East will continue to feature regular bespoke local news bulletins, travel updates and presenter links throughout network shows and during the locally made drive show. Heart's local news reporters respond quickly to major local events and this would be unaffected. In the event of major stories which are highly specific to the local area, such as school closures, extreme weather or local crisis, more regular updates, presenter links and news bulletins are provided and will continue to be.

There will be no changes to the music mix on Heart North East, which will continue to be distinctive to that of the Greatest Hits stations, Smooth, Capital, Metro, Radio Borders, Sun FM and TFM and the community radio stations serving the area.

The change to the balance of speech and music will be relatively modest and absolutely in line with what 'full service' listeners have told us they want, as set out below.

Section 106 1A (d) that, in the case of a local licence, there is evidence that, amongst persons living in that area or locality, there is a significant demand for, or significant support for, the change that would result from the departure;

This change in the Character of Service is being requested in order to better serve listeners in the licenced area and bring the written format description for Heart North East more closely in line with other Heart Stations across the country.

On behalf of Global, Dynata recently surveyed nearly 1500 Heart listeners to explore their preferences around news and music. Two thirds of these listeners were within the TSAs of 'full service' licences including the North East so we could compare attitudes to the difference in programming. The sample size for the North East was 152. Respondents for each target area were sourced by our partner agency Dynata from their own panel as well as using their network of preferred panel suppliers to ensure independence and robust sample numbers.

The survey responses show that a high proportion of listeners want more music and less speech and presenter content, and therefore provide clear evidence of significant support for the proposed change:

- **26%** of listeners believe that there is too much in the way of speech and presenter content, against 2% who believe there isn't enough.

- **27%** of listeners felt that there is not enough music, against 7% who felt there was too much.
- We asked listeners to estimate the current balance between music and speech on Heart, they said **62%/38%** but given the choice, the ideal balance would be **70%/30%**.

The survey responses also demonstrate that, with the very wide range of media now available to listeners, a requirement to provide extended news output no longer meets listeners' needs:

- **72%** of listeners in the North East believe that radio is best placed to deliver short, up to the minute bulletins, compared with TV at 29%
- **55%** of listeners in the North East feel TV is best placed to provide longer, in depth analysis, compared with just 22% for radio.

North East listeners	Up to the Minute bulletins	In Depth Analysis	Views from Analysts	Views from the public	World Events	Local News	UK News
TV	28.6%	54.8%	49.9%	33.5%	62.7%	62.4%	70.2%
Radio	71.6%	21.5%	26.2%	37.7%	23.3%	42.3%	34.0%
Newspapers Magazines	10.1%	24.0%	26.2%	11.5%	22.8%	16.2%	19.9%
News websites	19.7%	27.6%	32.0%	15.2%	35.2%	16.7%	28.4%
Social Media	12.4%	4.4%	8.2%	25.4%	7.8%	11.9%	8.8%
I don't consume news this way	8.6%	8.6%	10.3%	16.5%	5.4%	6.3%	4.0%

The survey asked whether listeners had ever noticed the Heart Nightly News extended bulletins between 6:45pm and 7pm. There is a very low level of awareness amongst listeners, which clearly demonstrates the lack of demand amongst listeners for longer form speech content on the station and reflects the fact set out above that listeners don't believe that music based radio is the best medium to deliver longer, in depth analysis. Instead of the extended bulletin, there is a clear appetite for more music:

- **74%** of 'full service' listeners are unaware of the extended Nightly News bulletins. Awareness levels in the North East are lower than that of other full service areas, with 75% of listeners never having noticed the extended bulletin.

- Of those that have heard the Nightly News, listeners in the North East are more likely to switch it off or change station than other areas, **13%**.
- Of the listeners in the North East who were aware of the extended Nightly News bulletins, **65% would prefer that Heart played extra music rather than an extended news bulletin.**

This research evidence clearly shows that listeners in the licensed area would support the proposed change.

We are also requesting to remove the requirement to deliver 24-hour news as it does not meet the majority of listeners needs. The survey asked participants when they were most likely to listen to Heart:

- In the North East, only **8%** listened between 7pm – 10pm on weekdays and **6%** at the same time at the weekend, which fell to **6%** overnight during the week and **2%** at the weekend.

	North East
Monday to Friday: 6am-10am	42.9%
Monday to Friday: 10am-1pm	28.9%
Monday to Friday: 1pm-4pm	21.2%
Monday to Friday: 4pm-7pm	26.5%
Monday to Friday: 7pm-10pm	7.7%
Monday to Friday: Overnight	5.6%
Saturday and Sunday: 6am-10am	9.6%
Saturday and Sunday: 10am-1pm	21.3%
Saturday and Sunday: 1pm-4pm	16.4%
Saturday and Sunday: 4pm-7pm	14.4%
Saturday and Sunday: 7pm-10pm	6.1%
Saturday and Sunday: Overnight	1.7%

The survey also asked participants on which occasions they felt it was important to hear a news bulletin when listening to Heart. The percentage of listeners wanting news bulletins on occasions out of daytime is consistently low across all areas which supports our case that the change would be supported:

	North East
Whilst getting ready in the morning	34.8%
Whilst having breakfast	35.2%
When on the commute to work	42.0%

Whilst working out	9.6%
Whilst having dinner with friends	9.4%
When putting the kids to bed	6.4%
Whilst going to sleep	9.7%
Whilst working during the day	37.0%
When listening to an upbeat show on Friday or Saturday like Club Classics	5.8%
When I'm just relaxing listening to the radio	22.9%
Overnight	9.1%
None of these	4.0%

- The percentage of listeners wanting news bulletins outside of daytime is low; during upbeat Friday or Saturday night shows 8.5%, whilst going to sleep 8%, overnight 8%.

Section 106 1A (b) - that the departure would not narrow the range of programmes available by way of relevant independent radio services to persons living the area or locality for which the service is licensed to be provided.

In addition, we also do not believe that the proposed change in format would narrow the range of programmes available in the area for the following reasons:

- There has been an increase in the number of commercial and community radio stations delivering content available to people living in the area over the last decade. Listeners therefore already have more choice and radio stations must be allowed to adapt to remain relevant.
- There are ten commercial stations operating the Heart North East area and it is also well served by community stations, each providing a focus on local content, news, travel and information for the areas in which they are based.
- There will be no change to the existing Heart music mix but listeners would get more music throughout the day, which nearly 30% of current listeners to our 'full service licences' said they'd prefer
- Heart North East will continue to deliver relevant local news updates throughout the day, which is when the majority of listeners in the North East think it is important to hear news bulletins.

Please provide any additional information and/or evidence in support of the proposed change(s) below. In particular, the applicant may wish to outline how they see that the proposed change fits within Ofcom's published Format change request policy and also Ofcom's Localness guidance, which includes our co-location and programme sharing policy.

Ofcom notes on the request

Statutory requirements

This request relates to the FM licence for the North East of England held by Real Radio (North East) Limited, currently broadcasting as 'Heart'. The request has been submitted by the licensee's parent company, Global Media & Entertainment Limited ('Global').

Global's request seeks to change the 'Character of Service' description contained in the Format from:

"A full service mainstream popular music station for the North-East region, targeting primarily 25-54 year olds, treating news, speech, regional information and listener interactivity as important ingredients, and running 24-hour news."

to:

"A locally oriented music and information station for the North-East region, featuring adult-oriented popular music for a broad audience with particular appeal for listeners aged 25-54."

These proposed changes would change the character of service as set out in the Format of the licence, and accordingly can be agreed only if Ofcom is satisfied in regard to one of the statutory criteria set out in section 106(1A) of the Broadcasting Act 1990 (as set out in the request, above).

If we are satisfied in relation to one of the statutory criteria, we are then able to decide whether or not to approve the request, taking account of our published policy criteria.

Assessment

In considering the request to change the 'character of service' we were satisfied in relation to section 106(1A)(a) – that the proposed change would not substantially alter the character of the service. Heart North East would continue to be a mainstream music station aimed at a broad adult audience - we do not consider the change in wording from "mainstream popular music" to "adult-orientated popular music" to be significant given there is no change to the broad target audience of 25-54 year-old listeners. The station would also continue to have an obligation to provide news and information on a regional basis for the North East of England, reinforced by the unchanged specific requirement to broadcast local/regional news at least hourly during daytime weekdays and peak-time weekends.

While we acknowledge the requested changes to the 'character of service' would remove some of the more prescriptive requirements concerning how this Format should be delivered, our view is that, in practice, they would be likely to lead to only relatively minor changes to the station's output.

One of these is the removal of the current requirement to broadcast news bulletins 24 hours per day¹ which means that some off-peak news bulletins could be dropped at times when the licensee considers their inclusion less editorially appropriate². The specific local news requirements included

¹ We note this is not a requirement to broadcast local, regional or Nations bulletins 24 hours a day (i.e. outside daytime weekdays and peak time weekends, UK-wide bulletins can be broadcast)

² Examples are likely to include specialist or themed music programmes, such as Heart's 'Club Classics' dance show.

elsewhere in the Format mean that Heart North East will still be required to broadcast bulletins containing local/regional news at least hourly during daytime weekdays, and at peak-time on weekend days. We carefully considered whether the removal of the 24-hour news requirement could constitute a substantial change, but decided on balance that it did not, taking into account the evidence provided by Global regarding significantly low listenership outside peak hours, and low levels of recognition of and support for news programmes outside those times.

Similarly, we acknowledge that the revised Format may give the licensee slightly more flexibility in terms of the balance between music and speech and the nature of the spoken content by deleting the phrase, *“treating news, speech, regional information, sport and listener interactivity as important ingredients”*. However, the revised format refers to a *“locally oriented music and information station for the North-East region”*, thus continuing explicitly to require regional information as well as music.

Global has presented arguments that the Format change request also meets the statutory criteria (b) and (d). Given that we consider that statutory criterion (a) is met, and meeting one statutory criterion is sufficient for the request to be considered in relation to our policy criteria, we have not considered it necessary to reach a view on whether statutory criteria (b) and (d) are also met. However, in the context of reaching a view on whether the changes proposed by Global meet criterion (a), we noted in the listener research submitted by Global under criterion (d) the low levels of awareness among Heart listeners of the 15-minute ‘Nightly News’ programme (broadcast weekdays at 6.45pm). This suggests that longer form speech programming of this type is not viewed by listeners as being a significant contributor to Heart’s character of service.

The Format change legislation leaves to Ofcom’s judgement the decision as to whether to permit a change, even if one of the statutory criteria is satisfied.

Our policy guidance states that the time which has elapsed since a licence was first awarded is a relevant factor, as a licensee’s need to adapt to audiences changing over time is understandable, whereas a change soon after award may be inconsistent with the licensing process whereby stations define their own Formats in their licence application. This North East of England regional licence launched (as Century Radio) 27 years ago, in 1994. Ofcom recognises that audiences change over time, and that, consequently, stations need to adapt in parallel. We recognise that the audience research submitted by Global showed that current audiences are broadly supportive of the way in which Global plans to use the slightly increased flexibility the Format change provides.

Decision

Ofcom has decided to approve this Format change request from Global because we were satisfied in relation to one of the relevant statutory criteria, and for the policy reason outlined above.

February 2021