

IWA Wales Media Audit

Draft section 2: Current media provision in Wales- Radio

October 2015

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Section 2: Radio

1.2.1 Analogue Radio and Digital Radio/DAB Availability and Take-Up

From the late 90s, the BBC has also been rolling out a DAB multiplex in Wales as in the rest of the UK, to carry its main UK network radio services. Coverage of this multiplex has steadily improved in Wales, and has now reached around 87%. The capacity of this multiplex is fully taken by the BBC's UK network services, so there is no room to carry BBC Radio Wales and BBC Radio Cymru.

At the outset of the DAB development it was decided that the BBC's services for the nations would have to be carried on a multiplex owned by the commercial radio operators. Under legislation, the BBC has a 'must-carry' right for these services on local commercial DAB multiplexes. An original reluctance on the part of the commercial radio operators to fund the roll-out of DAB transmission has meant that transmission coverage for Radio Wales and Radio Cymru has lagged behind that of the BBC's UK networks – a serious disadvantage that it only now being tackled.

Initially Radio Wales and Radio Cymru were confined to the Cardiff/Newport and Swansea areas. However, since 2008, local DAB services have started broadcasting in west and north Wales, although large parts of mid Wales are still not served currently. DAB coverage still is still much lower than FM coverage. The increase in DAB coverage may have helped to boost DAB set ownership in Wales.

Analogue Radio Coverage (VHF - FM), BBC Wales Radio Services

% Population	2008 Coverage	2015 Coverage
Radio Wales	62	81
Radio Cymru	95	95

Source: BBC Cymru Wales

DAB Radio Coverage, BBC Wales Radio Services

% Population	2013 Coverage	2014 Coverage
Radio Wales	41	65
Radio Cymru	41	65

Source: Ofcom/BBC Cymru Wales. The BBC expects DAB coverage for Radio Wales and Radio Cymru to increase to 86% of the population by 2016.

BBC Radio in Wales

BBC Radio Wales was originally only broadcast on medium wave (AM) when the service began in 1978, but since the late 90s, the BBC has attempted to extend the station's availability on FM. In December 2011, Radio Wales commenced broadcasting from the Wenvoe transmitter replacing the low power VHF Transmitter on the Wenallt Hill which previously served a limited area of South East Wales and

the improvement in coverage was welcomed by the BBC's Audience Council¹. The station is also broadcast on DAB Digital Radio and Freeview across Wales, as well as across the UK on satellite along with Radio Cymru, which was launched in 1979 as an FM network. Due to its access to a greater number of frequencies, it has always had better coverage than Radio Wales on VHF.

Radio listening across the UK

	Wales		England		Scotland		N.Ireland	
	2007	2014	2007	2014	2007	2014	2007	2014
Average Listening (Weekly Hours)	24.4	22.4	23.5	21.5	22.9	19.9	23.1	21.6
Reach (%)	88.4	94.5	90.6	89.4	89.4	86.9	90.7	88.9

Source: RAJAR/Ofcom. All Adults 15+. Reach defined as percentage of an area's population who listen to a station for at least five minutes in the course of an average week. The UK average in 2015 was 89.4%.

Of all the UK nations, more people in Wales listen to radio, and they also listen for the longest period of time. Radio services reached 94.5% of the adult population in Wales and listeners tuned in for an average of 22.4 hours per week in 2014, compared to a UK average of 89.4%.

¹ BBC Cymru Wales Annual Review 2013-14

Radio Listening in Wales

Share of listening hours



Source: RAJAR/Ofcom Wales 2015 CMR all Adults 15+, year ended Q4 2014.

Wales has the highest share of listening to BBC UK Network services compared to the other UK nations at 49%, more than double the figure for Northern Ireland. In 2014, the BBC's nation services share of listening (to Radio Wales and Radio Cymru combined) was 10%, down from 11% in 2013, but still two per cent higher than the UK average (but only half that of Northern Ireland at 20%). Reach figures published by RAJAR also show decreases for both Radio Wales and Radio Cymru.

Weekly Reach of Radio Wales and Radio Cymru

	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Radio Cymru	155,000	147,000	150,000	138,000	128,000	144,000	119,000
Radio Wales	435,000	411,000	468,000	471,000	461,000	468,000	418,000

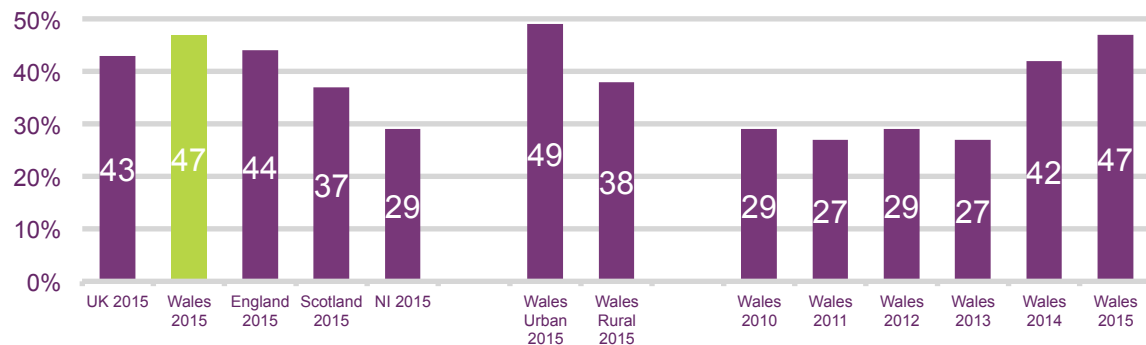
Source: RAJAR

According to Ofcom, on an aggregated basis, the reach of BBC Radio Cymru and Radio Wales, taken together saw a bigger year on year decrease in 2014 than any of the other national and local BBC services, driven primarily by a 1.9% fall in reach for Radio Wales².

² Ofcom 2014 CMR, Wales p 58

A dispute in 2013 between Welsh language music performers, represented by the collection agency Eos and BBC Cymru Wales may have been the cause of a temporary drop in share for Radio Cymru in 2012-13, when the station was forced to change its schedule and reduce its daily broadcasting hours³. In an attempt to increase the appeal of Radio Cymru, the BBC launched a consultation exercise, 'Y Sgwrs Fawr' (The Big Discussion) later the same year and the station's output was subsequently modified to increase its broad appeal.

Ownership of DAB Radios in Wales



Source: Ofcom Communications Market Report for Wales 2015 - % respondents

Almost half the adults in Wales (47%) claim to own at least one DAB radio set, above the UK average of 43%, (based on responses to the Ofcom technology tracker).

Digital Radio Switchover

The UK Government's latest Digital Radio Action Plan⁴, published in January 2014 restated the switchover criteria originally set out in 2010. Switchover to digital radio broadcasting will only be ordered when,

- 50 per cent of all listening is to digital
- National (i.e.UK) DAB coverage is comparable to FM,
- local DAB coverage reaches 90 per cent of the population and all major roads

Digital switchover involves closing the FM networks that carry for the bulk of the UK's radio services, which would then be migrated to the DAB platform. Currently many BBC and Commercial services are broadcast on both platforms and closure of FM would represent a significant cost saving for the industry. Originally, it was estimated that the UK Government's criteria for switchover would be fulfilled by 2015, but in December 2013, the DCMS Minister Ed Vaizey announced that it was unlikely that an order for switchover would be made until around 2020⁵.

³ <http://www.bbc.co.uk/news/uk-wales-24229743>

⁴ <https://www.gov.uk/government/publications/digital-radio-action-plan>

⁵ <http://www.theguardian.com/media/2013/dec/16/digital-radio-switchover-2020-ed-vaizey>

DAB Commercial Multiplexes in Wales

Mux Area	Operator	Expiry	Services Carried
Cardiff & Newport	Now Digital (Southern) Ltd.	30.10.2024	Capital FM (Cardiff & Newport) Smooth Radio (Cardiff & Newport) Pop Up Radio Heart (South Wales) Nation Radio (South Wales) Bridge FM
Mid & West Wales	Mux Co Wales Ltd	29.08.2015	Radio Pembrokeshire Radio Carmarthenshire Heart (South Wales) Nation Radio (South Wales) Nation Hits (South Wales)
North East Wales and Cheshire	Mux Co North East Wales	21.03.2025	Heart (North East Wales) Nation Radio (South Wales) Juice FM (Liverpool) Dee on DAB
North West Wales	Mux Co North West Wales	11.12.2026	Capital FM (North Wales Coast) Smooth (Wrexham and Chester) Nation Radio (South Wales) Nation Hits (South Wales)
Swansea	UTV Digital	29.01.2014	The Wave Heart (South Wales) Kisstory (Bauer Radio) Swansea Sound Heat (Bauer Radio)

Notes

1. BBC Radio Cymru and Radio Wales are carried on all the above local multiplexes serving Wales.
2. Town and Country Broadcasting owns Mux Co Wales Ltd and Mux Co North Wales Ltd outright and it also holds a 25% share in Mux Co North East Wales and Cheshire.

1.2.2 Radio Output and Spend

BBC Radio Cymru and Radio Wales, output and spend

	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R.Cymru Spend £m	9.8	9.8	9.9	9.8	9.9	9.6	10.0
R.Cymru Hours	7,247	6,886	6,646	6,495	6,141	6,149	6,254
Cost per hour £k	1.4	1.4	1.5	1.5	1.6	1.6	1.6
R.Wales Spend £m	10.4	10.3	10.5	10.8	10.5	10.5	10.6
R.Wales Hours	7,162	7,064	7,107	7,227	7,228	7,255	7,078
Cost Per Hour £k	1.5	1.5	1.5	1.5	1.5	1.4	1.5

Source: BBC Cymru Wales, Board of Management Reports, (output hours exclude repeats)

As in 2008 the BBC's two services for Wales both differ markedly from those of the commercial sector, in being predominantly speech based, while the commercial sector is heavily music based during peak times. Analysis of the output for Radio Cymru and Radio Wales, based on figures provided by the BBC, show that both services broadcast a wide range of programmes covering news, current affairs, sport, and other programmes with relatively low levels of repeats at a low cost per hour, of around £1,500/hour for both services.

Radio Cymru: Analysis of Output[Error! Not a valid link.](#)

Radio Wales: Analysis of Output

	Radio Wales					
	12-13		13-14		14-15	
	Hours	%	Hours	%	Hours	%
News	2162	29.0%	2124	27.9%	2130	28.7%
Current Affairs	410	5.5%	730	9.6%	734	9.9%
Sport	826	11.1%	1038	13.7%	998	13.4%
Other	3741	50.2%	3362	44.2%	3215	43.3%
Total Originations	<u>7139</u>		<u>7255</u>		<u>7078</u>	
Repeats	318	4.3%	347	4.6%	345	4.6%
Total Hours	<u>7457</u>		<u>7602</u>		<u>7423</u>	

Commercial Radio in Wales

According to Ofcom, listening to local commercial radio during 2014 was lowest in Wales (out of the four UK nations) with a share of listening hours of 26%, with total commercial radio share in Wales at 39%, far lower than the UK average of 43% and the totals for the other nations. A possible explanation is that there are fewer commercial radio stations per head of the population in Wales compared to the UK average.

This lower of share of listening to commercial radio is reflected in commercial income. Wales was the only nation where revenue for local commercial stations declined in 2014, with revenue falling by 2.9% to £14.9 million. At £4.84 per head of population, Wales also has the lowest local commercial revenue per head of all the UK nations.

Since the time of the last audit in 2008, two stations have closed, Valleys Radio and Radio Hafren (formerly Radio Maldwyn), both of which were broadcasting on AM/Medium Wave, which itself is a declining platform in terms of radio listening, with most listeners now choosing FM or DAB. The only commercial stations left on AM serving listeners in Wales are Swansea Sound and Smooth Radio Wales serving Newport/Cardiff and Wrexham/Chester. Swansea Sound's local service includes a format requirement to broadcast 12 hours a week of Welsh language programmes, while the two Smooth services are only required to carry four hours of 'locally produced' programming per day produced in Wales, including news for Wales⁶.

There has also been significant consolidation of ownership with stations have changing ownership and brand, several times in some cases. The alternative rock station, XFM South Wales, serving south east Wales, was only on air for a few months, before the station's owners, G-Cap (later to become Global) sold the licence to Town and Country Broadcasting, who rebranded the service as Nation Radio. Swansea Bay Radio, also owned by Town and Country, was re-named Nation Hits

⁶ The station format requires that locally-made programming must be produced within Wales but that all programmes may be shared with other AM stations in the Smooth network in Wales.

and the group also acquired Radio Ceredigion from former owner, Tindle Newspapers.

Some of the changes of brand/name have been somewhat confusing for listeners. The stations owned in North Wales by Global, Champion 103, Coast 96.3 and MFM (Marcher Sound) were all renamed under the Heart Brand, as Heart Gwynedd and Anglesey, Heart Coast and Heart Wrexham and Chester. But following a merger of Global Radio and GMG (the owners of Real Radio), the competition authorities ruled that stations in seven areas of the UK, including Cardiff and North Wales had to be sold. Irish radio group, Communicorp, acquired Capital South Wales and the two Real Radio licences. Real Radio had previously been providing an all Wales service delivered via its North and South Wales licences. However, through a brand licensing agreement the Real stations were separated and re-branded as Heart South Wales and Heart North Wales. Global then re-branded the existing Heart stations under the Capital brand, launching Capital Cymru and Capital North West and Wales in May 2014. In practice, it could therefore be argued, in terms of plurality, that the range of separate radio 'voices' has effectively reduced to three group/brands, Global/Communicorp, UTV and Town and Country Broadcasting.

The Internet has had a significant impact on local radio advertising markets in recent years. Radio broadcasters were experiencing falling revenues and increasing fixed costs and through its Future of Radio consultation, Ofcom responded by reducing local content regulatory requirements in order to secure the sustainability of commercial radio. Ofcom allowed the format documents that determine a station's content to be simplified with formats reduced to a short statement of just a few sentences describing the station's character of service. In addition, the rules regarding a station's location were also liberalised.

It should also be noted that, under current legislation, when switchover to DAB (Digital Audio Broadcasting) occurs, commercial radio stations which are currently simulcast on FM and DAB, or which broadcast exclusively on FM, will be able to cease transmission on VHF/FM. By moving to broadcast exclusively on DAB, they will then be released almost entirely from their local obligations⁷. Some radio groups may however choose to continue to provide local content for listeners in Wales, but they will not be required to do this.

Following relaxation in regulation, local content on Commercial Radio has significantly reduced over the years (across the UK as well as in Wales) and some radio groups, for example Global, have replaced the local identities of their stations in order to establish recognisable UK wide brands such as Heart, Capital and Smooth. Currently, commercial stations are only obliged to have around seven hours of content originated from the licence area (although this will vary depending on the historic requirements of a station's format, with some stations in Wales providing up to 10 hours of content). The rest of the programming can be provided via the parent company's network⁸. The present ownership and formats of Wales' stations are set out in the table below.

⁷ Radio formats can be viewed at <http://licensing.ofcom.org.uk/radio-broadcast-licensing/analogue-radio/>

⁸ In some cases where there are arrangements for shared programming, depending on the station's format these may be restricted to stations broadcasting in Wales.

Commercial Radio Stations in Wales

Station	Area served	Owner	Licence expiry date	Local Hours	Notes
Bridge FM	Bridgend area	Town and Country Broadcasting	30.04.2019	10 w/days including breakfast. 4 w/ends	
Capital FM	Wrexham and Chester	Global	04.09.2016	7 w/days including breakfast 4 w/ends	Marcher Radio Group, now owned by Global
Capital FM	North Wales Coast	Global	26.08.2024	7 w/days including breakfast 4 w/ends	Marcher Radio Group, now owned by Global. Format requires one hour Welsh language programme 6 days a week
Capital FM (Capital Cymru)	Caernarfon	Global	31.12.2021	7 w/days including breakfast 4 w/ends	Marcher Radio Group, now owned by Global. Bilingual Welsh/English language service

Capital FM	Cardiff and Newport	Communicorp	31.12.2019	7 w/days including breakfast 4 w/ends	Cardiff Broadcasting Company Ltd, formerly owned by Global, now owned by Communicorp
Heart North Wales	North and Mid Wales	Communicorp	03.02.2023	7 w/days including breakfast 4 w/ends	Real Radio North Limited now owned by Communicorp. News, sport, speech and listener interactivity are key format requirements
Heart Wales	South Wales	Global		7 w/days including breakfast 4 w/ends	Originally licensed for Real Radio, now owned by Global
Nation Hits	Swansea	Town and Country Broadcasting	04.11.2018	7 w/days 4 w/ends	Originally called Swansea Bay Radio
Nation	South Wales	Town and Country Broadcasting	28.11.2019	10 hours Weekdays 4 hours Weekends	Licence formerly owned by GCap known as XFM

				ds	
Radio Carmarthenshire/Scarlet FM	Carmarthenshire including Llanelli	Town and Country Broadcasting	12.06.2027	10 w/days including breakfast. 4 w/ends	Format requires output to include, 'identifiable, regular Welsh language programming'
Radio Ceredigion	Ceredigion	Town and Country Broadcasting	31.05.2019	7 w/days including breakfast. 4 w/ends	Format requires output to include 'regular and identifiable Welsh language programming'
Radio Pembrokeshire	Pembrokeshire	Town and Country Broadcasting	13.07.2025	10 w/days including breakfast. 4 w/ends	
Smooth Radio Wales	Wrexham and Chester	Global	04.09.2016	4 hours, must be produced in Wales	AM Service, also on DAB
Smooth Radio Wales	Cardiff and Newport	Global	31.12.2019	4 hours, must be produced in Wales	AM Service, also on DAB

The Wave	Swansea area	UTV Radio	29.09.2021	10 w/days including breakfast. 4 w/ends	Format requires music by Welsh artists to be featured at least weekly.
Swansea Sound	Swansea Area	UTV Radio	29.09.2021	4 hours, must be produced in Wales	AM service (also carried on DAB) Wales' first commercial station - on air 30.09.1974. Format requires at least 12 hours a week of Welsh language programmes.
Radio Hafren	Newton and mid Wales area	Wrights Radio Relay	Ceased broadcasting on 11.02.2015	n/a	AM Service, no longer on air. Formerly known as Radio Maldwyn
Valleys Radio	South Wales Valleys	UTV Radio	Ceased broadcasting on 30.04.2009	n/a	AM Service, no longer on air
Sunshine Radio	Herefordshire and Monmouthshir	Sunshine FM Ltd.	13.12.2019	10 w/days including	Independent station

	e			breakfast. 4 w/ends	
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Notes

- Bridge FM and Nation Hits can share all programming. Locally-made programming must be produced within the licensed areas of Swansea, Bridgend, Carmarthenshire or Pembrokeshire, or Nation Radio covering South Wales.
- Capital North Wales Coast and Wrexham Chester can share all local programmes subject to satisfying the character of service requirements.
- Radio Pembrokeshire, Radio Ceredigion and Carmarthenshire/Scarlet FM may be share all their local programming, subject to satisfying each station's format character of service.
- A separate service of programming/advertising may be broadcast for Scarlet FM.
- Smooth Radio Wales: All programmes may be shared between the two Smooth stations in Wales.

Town and Country Broadcasting



As Wales' only indigenous radio group, Town and Country Broadcasting owns and operates seven commercial radio services in Wales: Nation Radio, Bridge FM, Nation Hits, Radio Pembrokeshire, Radio Ceredigion, Radio Carmarthenshire and Scarlet FM. It employs 50 FTE staff, including five journalists, along with 24 casual promotional staff and around 10 contractor presenters, working out of four locations in Wales, covering an audience of 1,728,000⁹, with a weekly reach of 325,000. The Group has an overall market share of 6.2% in Wales, with 6.9 average listening hours per week.

Although the Group's total turnover is not disclosed, it delivers over 85% of its radio revenue from local clients. According to the Group, in 2015 it has experienced significant double digit revenue growth due to the emergence of Nation Radio within the Cardiff marketplace. The Group recently acquired the London/Swedish based radio engineering company, RadioscapeFactum. It also has shareholdings in three of the five DAB local multiplexes serving Wales.

The Group's stations have a licence requirement to broadcast around 10 hours per day during weekdays of local programming, among the highest levels in Wales. However, in practice, almost all output for the Group's stations is locally based content, representing over 95% of programming originating from Wales. The only programming delivered from outside Wales is the Big Top 40 Chart Show, broadcast for three hours on Sundays and Sky News bulletins broadcast at certain times and on

⁹ Source: RAJAR

certain stations at the top of the hour. The public files for the Group's stations can be viewed at Ofcom's web site, which carry details of the Groups' local output per station¹⁰.

Station	FM Coverage	Weekly Reach	Reach %	Market Share %
Radio Pembrokeshire	100,000	41,500	42	20.3
Radio Ceredigion	79,200	19,800	25	7.8
Scarlet FM/ Radio Carmarthenshire	129,500	30,500	24	9.3
Bridge FM	128,500	37,400	29	11.9
Nation Hits	471,000	39,000	8	1.7
Nation Radio	1,508,000	179,000	12	2.8

Radio Pembrokeshire's impressive 20.3% market share is partly due to limited competition from other commercial radio stations in the county. By contrast, Nation Hits serving Swansea, operates in a more crowded radio market with strong competition from The Wave and Swansea Sound (operated by UTV Radio). The Groups has staff at four locations:

¹⁰ <http://www.ofcom.org.uk/static/radiolicensing/html/radio-stations/analogue/analogue-main.htm>

Location	Number of staff
St Hilary	EFT 20,
Bridgend	EFT 6
Llanelli	EFT 5
Narberth	EFT 19

Community Radio

Community radio was introduced following legislation, in order to introduce a new tier of radio broadcasting in the UK, focused specifically on community engagement. Stations are not for profit and focused on delivering social gain. The community radio sector in Wales has grown from eight stations on air in 2008 to ten stations in 2015. This number would have been eleven, but one station, XS (formerly Afan FM) went into voluntary liquidation in December 2011 and was closed down.

Another service Radio Beca, had been awarded a licence in May 2012 with the aim of providing a mainly Welsh language service. Normally community radio services are licensed to serve a 5km radius but in this case, as the station was serving a linguistic community of interest, Ofcom allowed the station to serve a far wider territory covering the communities of Carmarthenshire, Ceredigion and north Pembrokeshire. Community stations are normally expected to start broadcasting within two years of being awarded a licence. However, Radio Beca failed to meet this target and although the station was granted several extensions the service was unable to get on air. Ofcom eventually withdrew the licence offer in May 2015.

Community radio, delivered primarily by volunteers, faces its own challenges in securing public funding from cash strapped local authorities and other public sources. Financial sustainability for community stations has always been an issue. When community radio began in the UK, in 2004, the Community Radio Order, the legislation which governed the sector, prevented community stations from raising more than 50% of their income from commercial sources. But there were further restrictions on community stations whose transmission areas overlapped by greater than 50% with a small commercial stations serving fewer than 150,000 listeners. In such cases, these community stations were not able to raise any commercial income and in practice this meant that stations serving north and west Wales, such as Point FM, Tudno FM and Mon FM could not raise any commercial funding.

Recently, following a DCMS consultation, reforms to the Community Radio Order have now been implemented by Parliament¹¹, allowing all stations to raise at least £15,000 from commercial sources and further amounts are allowed up to 50% of the station's total income. The stations in Wales have started to work together and share best practice via the Wales Community Radio Network (WCRN). With the exception of Radio Cardiff, all the stations signed up to a joint response, produced by WCRN, to the DCMS consultation on community radio.

Community Radio Stations On Air in Wales

Station	Area Served	Licence expiry date	Licensee	Notes
Bro Radio	Barry, Vale of Glamorgan	30.03.2019	Vale of Glamorgan Broadcasting Community Interest Company	General service mixture of locally relevant speech and music
Radio Cardiff	Cardiff	07.10.2017	Radio Cardiff Limited	Station serves the minority ethnic communities of Cardiff Bay
BRFM	Brynmawr	17.10.2017	BRFM Ltd.	General service mixture of locally relevant speech and music
GTFM	Pontyprydd, RCT	31.12.2020	GTFM South Wales Ltd	General service mixture of locally relevant speech and music

¹¹ All community stations in Wales will now be able to raise up to 50% + £15,000 from commercial sources. Previously Mon FM, Tudno FM, Point FM and Radio Glan Clwyd were unable to raise any income through sponsorship or advertising.

Radio Tircoed	Tircoed Forest Village, North Swansea area	30.11.2018	Tircoed Village Trust	General service mixture of locally relevant speech and music
Mon FM	Anglesey	11.07.2019	Menter Mon Cyf	Bilingual station, English/Welsh, broad range of programmes
Radio Glan Clwyd	Bodelwyddan	09.05.2019	Glan Clwyd AM Ltd	Based at Glan Clwyd Hospital AM station
Tudno FM	Llandudno area (especially Tudno and Mostyn wards)	11.07.2018	Llandudno Community Radio Ltd	Bilingual station, English/Welsh, broad range of programmes
Point FM	Rhyl area	23.03.2020	Radio Elwy Point FM Ltd	General service with some Welsh language content
Calon FM	Wrexham area	03.02.2018	Calon Communications Limited	Station based at Glyndwr University. General service mixture of locally relevant speech and music

